

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

*Fiscal Year Ended June 30, 2002*



TOWN OF WARRENTON,  
VIRGINIA



# ***TOWN OF WARRENTON, VIRGINIA***

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## **Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2002**

**FRANCES K. HATCHER, FINANCE DIRECTOR**



# **INTRODUCTORY SECTION**



# Town of Warrenton, Virginia

## Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2002

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# Town of Warrenton, Virginia

## Principal Town Officials

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Town Council		
Stephen L. Athey	George B. Fitch, Mayor	Robert L. Walker
Robert W. Rice	John S. Lewis, Vice Mayor	Samuel B. Tarr
Frank S. Foley		David A. Norden
Town Manager		
Kenneth L. McLawhon		
Town Attorney		
Henry C. Day Robin C. Gulick, Assistant Town Attorney		
Officials		
Town Recorder . . . . . Evelyn J. Weimer		
Finance/Personnel Director . . . . . Frances K. Hatcher		
Planning/Zoning Director . . . . . Raymond P. Ocel, Jr.		
Chief of Police . . . . . Roger L. Paul		
Public Works/Utilities Director . . . . . Edward B. Tucker, Jr.		
Economic Development Director . . . . . Patricia J. Meagher		

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# TOWN OF WARRENTON

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WARRENTON, VIRGINIA 22186-0341  
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FAX (540) 349-2414  
TDD 1-800-828-1120

October 16, 2002

To the Citizens of The Town of Warrenton:

The comprehensive annual financial report of the Town of Warrenton for the fiscal year ended June 30, 2002, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the Town of Warrenton issue annually a report on its financial position and activity, and that an independent firm of Certified Public Accountants audit this report. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data are accurate in all material aspects and are reported in a manner that presents fairly the financial position and results of operations of the various funds and account groups and component units of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and compliance. The introductory section, which is unaudited, includes this transmittal letter, the Town's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The financial reporting entity (the government) includes all funds and account groups of the Town as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. The Town of Warrenton provides a full range of services to its citizens including police protection; sanitation and recycling services; and the construction and maintenance of highways, streets, and infrastructure. In addition, the Town contributes to cultural events and recreational activities. The Town also operates utilities (water and sewage) and provides planning and community development services for its 7,517 citizens. Blended component units, although legally separate entities, are in substance, part of the primary government's operations and are included as part of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. However, the Town has no component units.

## Economic Condition and Outlook

The Town of Warrenton, which was included as part of the Metropolitan Washington statistical area in 1991, continues to experience moderate and well planned growth, most of which can be attributed to people seeking a high quality, small town environment with lower taxes and an escape from the rapid paced lifestyles of the more urban areas to the north and east. As an indicator of this growth, according to recent data obtained from the U.S. Bureau of the Census, Warrenton has grown almost 40 percent since 1990.

The trend established in the 1980s and the attendant growth, which has continued over the last ten years, has changed the face of the Town to that of a more transient, commuter-oriented community. As a result, numerous small businesses have either located in, or are continually searching for, suitable sites in the community and business growth continues at a steady pace. In addition, existing businesses are expanding to meet the needs of their new customers.

Also with the new growth and the generally positive economic conditions which accompany it, the outlook for the Town continues to be upbeat. The Town remains the primary commercial and service area of Fauquier County, and because of steady population growth in and around Warrenton, the Town has continued to see several commercial and industrial areas develop which have led to an increased tax base for the community with additional employment opportunities for the citizens of the Town of Warrenton. This has allowed the Town Council an opportunity to decrease several tax rates for seven consecutive years while maintaining services at their pre-tax decrease level.

While the population and growth changes in the Town have had positive economic consequences over the last decade, the Town has also worked hard to add and maintain adequate infrastructure while at the same time developing efficiencies in service and providing the high quality of service that the Town's citizens have come to expect.

During the past year residential growth continued to accelerate in Warrenton, spurred on by a growing population in the Northern Virginia area, the Town's availability of utilities and the revival of several residential projects planned many years ago. If market demands remain steady, this could result in even greater growth in the community over the next several years.

Steady growth is anticipated for the Town over the next several years due to a generally positive economic climate and the growth of Northern Virginia in general.

## For the Year

The Town of Warrenton, is Fiscal Year 2002, continued to operate and refine major programs to meet the increasing numbers of citizens' needs for service, to promote efficiency in its operations and to safeguard the environment in conformance with all applicable federal and

state standards. Many of the Town's programs resulted in major projects and accomplishments for the community. The following are just several of the outstanding accomplishments for the Town during the year.

The Town continued to be recognized by the Government Finance Officers' Association (GFOA) for the sixth consecutive year for the Town's Finance and Personnel Department's preparation of the Town's budget. In addition, the Town prepared and completed the Town's audit, which was recognized by GFOA for the ninth consecutive year. This recognition indicates that both the budget and audit are presented in an easily readable fashion.

The Finance Department also successfully coordinated professional services necessary to redesign the Town's website to include e-gov applications and on-line bill paying capabilities. The Town's website continues to show an increased utilization from bill paying to checking refuse pickup schedules.

The Department of Planning and Community Development completed the revision of the Town's Comprehensive Plan. This document reflects the desires and the needs of the citizens over the next five to twenty years.

The Police Department obtained accreditation through the Virginia Law Enforcement Professional Standards Commission. As a result of being one of the few jurisdictions in the Commonwealth to pass this rigorous process, the Department is now aiding other communities in obtaining the accreditation. Also, after many delays, the Police Department moved into its new facility on Shirley Avenue.

The Public Works Department completed the Downtown Historic District Renovation program. This program involved the laying of new brick sidewalks, new "period" type street lamps, landscaping and street paving. This was accomplished in record time with minimal disruptions to the businesses and residents of Main Street.

The Public Utilities department remained active during the fiscal year and continued to provide high quality drinking water, properly treated wastewater and well maintained infrastructure to over 3,500 customers. The department was also able to reduce the amount of unaccounted for water through an aggressive leak detection and repair program.

### In the Future

The future of the Town of Warrenton continues to be guided by its newly revised Comprehensive Plan. With the continued pressure of growth on the community, the Town staff continues to work to accurately review the permit applications for land use changes and development which are occurring in the Town. The Town continues to emphasize this effort so the community may retain its current high standards. In the coming years it is expected that the Town will begin to move through a maturation process and that infill development will be the

norm as opposed to the unexpected and that the Town will maximize its population growth. The Town continues to work to expand information provided to citizens and visitors on its website and has initiated a process to ensure that interaction with government can be carried on more easily through use of the Internet.

### Department Focus

This year the Town of Warrenton will highlight the Town's Public Works Department as part of its departmental focus.

The Public Works Department currently consists of 31 full-time employees and operates with the largest amount of budgeted tax funds in the Town. The Department is responsible for maintaining 82.8 lane miles of roadway and right-of-way, a nine (9) acre public cemetery, various traffic signals, 14.62 miles of storm sewers, 193 pieces of equipment and vehicles, three (3) public parks and various buildings. Two of the parks are operated under a joint agreement with the Fauquier County Parks and Recreation department. The Department continues to provide curbside refuse collection twice weekly, curbside recycling collection once a week and brush and leaf collection on a periodic and as needed basis for the Town's citizens and businesses.

The Public Works Department completed the Downtown Historic District Renovation Project. This project had been deferred, as well as changed, many times over the past several years. After the successful completion of the demonstration project in fiscal year 2001, it was realized that the project could go forward. The Public Works Department worked diligently to coordinate the many aspects of this project with the downtown merchants and citizens to ensure that there were few disruptions and that businesses could remain open. The project was completed one block at a time with new brick sidewalks, period street lamps, landscaping and street paving.

The Department also completed the Blackwell Road/Lee Highway Intersection Improvements project. This intersection was rated poorly in several traffic studies and had received increasing complaints from citizens. This project added additional lanes on north and southbound Blackwell Road to allow for separate through and left turn lanes as well as lengthening the turn lanes. It also included installing new signals and modifying the phasing of the signals to match the new lanes. This project was also done with minimal disruption of traffic flow and greatly reduced the traffic congestion, while improving safety, at this intersection.

### *FINANCIAL INFORMATION*

Management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of the financial statements in conformity with generally accepted accounting principles. The Town continually



assesses its internal control structure to provided reasonable, but not absolute, assurance that these objectives are met and that costs of theses controls do not exceed the benefits derived from them.

Budgeting Controls The Town maintains budget controls and the objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Town Council. All funds, except the fiduciary funds, are included in the annual appropriated budget. The five-year capital improvements plan is adopted as part of the budgetary process.

As demonstrated by the statements and schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management.

General Government Functions The following schedule presents a summary of the general fund revenues for the fiscal year ended June 30, 2002 and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue and Other Financing Sources</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2001</u>	<u>Percent Increase (Decrease)</u>
Taxes	\$5,300,652	67.67%	\$(101,718)	(1.88)%
Intergovernmental	1,538,954	19.65	262,625	20.58
Licenses and Permits	273,780	3.49	59,560	27.80
Fines and Forfeitures	88,950	1.14	15,142	20.52
Use of Money & Property	229,157	2.92	(229,247)	(50.01)
Miscellaneous	379,256	4.84	(563,528)	(59.77)
Recoveries	22,377	.29	(1,908)	(7.86)
Non-revenue Receipts	<u>0</u>	<u>.00</u>	<u>(181,259)</u>	<u>(100.00)</u>
Total	\$7,833,126	100.00%	\$(740,333)	

The most significant increase in actual revenue sources was from the doubling of Personal Property tax Relief Act revenues and an increase in state funding for street and highway maintenance, both accounted for in Intergovernmental Revenue.

The most significant actual revenue decrease was Miscellaneous Revenue due to the financial sale of lots in the Town's business park in fiscal year 2001.

The following schedule presents a summary fo general fund expenditures for the fiscal year ended June 30, 2002 and the amount and percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2001</u>	<u>Percent Increase (Decrease)</u>
Current:				
General Government	\$ 831,332	10.88%	\$ 42,432	5.38%
Public Safety	1,839,211	24.06	(98,814)	(5.10)
Public Works	2,151,562	28.15	162,696	8.18
Contributions - Welfare	47,200	0.62	(106,711)	(69.33)
Parks and Recreation	144,464	1.89	144,466	0.00
Community Development	436,114	5.71	(58,864)	(11.89)
Debt Service:				
Principal	59,864	0.78	11,705	24.30
Interest	6,055	0.08	(1,749)	(22.41)
Capital Outlays	<u>2,127,027</u>	<u>27.83</u>	<u>1,650,155</u>	346.04
Total	\$7,642,829	100.00%	\$1,745,316	

The increase in Parks and Recreation reflects the change in accounting practices for the Town's Cemetery and other parks maintenance.

The increase in capital outlays is due to the completion of the Main Street improvement projects as well as the major portion of actual construction of the Public Safety Facility.

General Fund Balance The general fund balance decreased by 6.3 percent in 2002. This decrease, when added to the previous year's fund balance, does not significantly impact the Town's ability to pay for current operating expenditures.

Enterprise Operations The Town's enterprise operations are comprised of one separate and distinct activity: the Water and Sewer Fund.

Several of the Town's major initiatives are directly related to the Water and Sewer Fund as mentioned earlier. The Town has continued to provide quality services to its customers, as well as retire its debt, with no increase to the charges for these services during the past four fiscal years.

The 7.8% increase in operating expenses is primarily due to increased labor costs and the associated costs of benefits as well as increased chemical costs, professional fees and replacement of water meters and equipment.

The decrease in non-operating expense is due to increased bond payments resulting in decreased interest payments.

Debt Administration During the year, the Town maintained its current debt obligation through current operating revenues with no new bond debt being incurred.

Cash Management. Idle cash during the year was invested in treasury bonds and demand deposit accounts with various financial institutions, fully collateralized by those institutions. The slowing recovery of the economy during the year and increased capital expenditures resulted in a decrease of 3.91% in interest revenue during the year.

Risk Management. The Town is a member of the Virginia Municipal Group Self Insurance Association for Workers' Compensation. The Town continues to carry insurance for all other risks of losses. Settled claims from these risks have not exceeded commercial coverage.

## OTHER INFORMATION

Independent Audit. State statutes require an annual audit by independent certified public accountants. Robinson, Farmer, Cox Associates was selected for our audit. The audit was designed to meet the requirements set forth in state statutes as well as meet the requirements of OMB Circular A-133. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

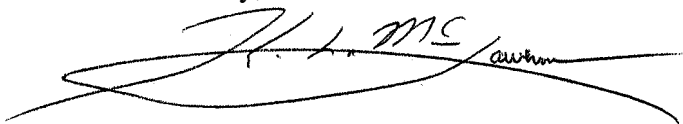
Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Warrenton for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001. This was the ninth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our comprehensive annual finance report continues to conform to the Certificate of Achievement program requirements and we are submitting our CAFR for the current year to the GFOA to determine its eligibility for another certificate.

Acknowledgments. Each member of the finance department has our sincere appreciation for their efforts in making this report possible on a timely basis.

The Town Council also has our sincere appreciation for their leadership and support. Without this support, this report would not have been possible.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. L. McLawhon', with a long horizontal flourish extending to the right.

Kenneth L. McLawhon  
Town Manager

A handwritten signature in black ink, appearing to read 'F. K. Hatcher', with a stylized, cursive script.

Frances K. Hatcher  
Finance/Personnel Director

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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Warrenton,  
Virginia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



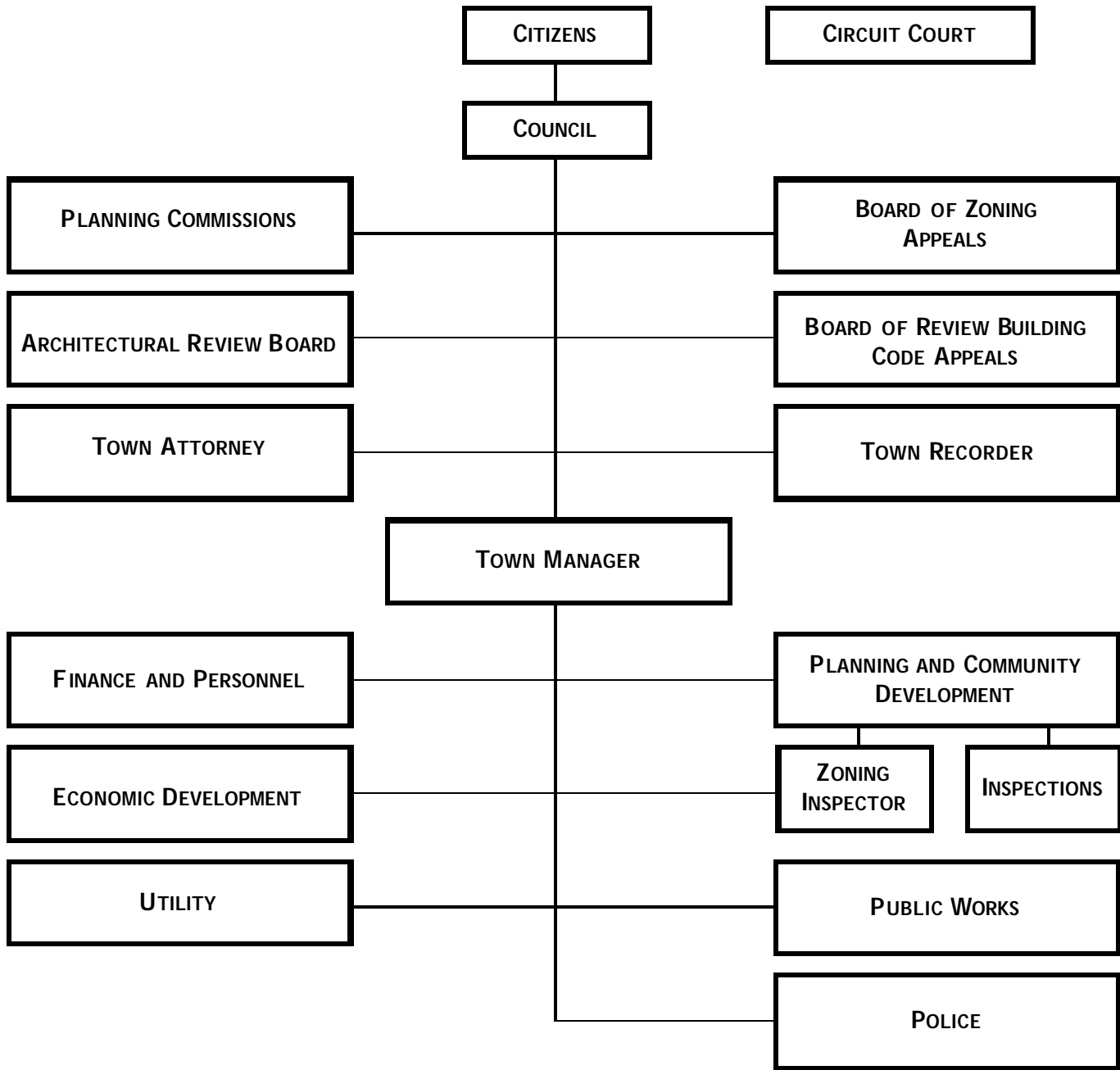
*Thomas A. Howe*  
President

*Jeffrey L. Esser*  
Executive Director

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# TOWN OF WARRENTON

## ORGANIZATIONAL CHART







## **FINANCIAL SECTION**



# ROBINSON, FARMER, COX ASSOCIATES

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CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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## INDEPENDENT AUDITORS' REPORT

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### THE HONORABLE MEMBERS OF THE TOWN COUNCIL TOWN OF WARRENTON, VIRGINIA

We have audited the accompanying general-purpose financial statements and the combining, individual fund and account group financial statements of The Town of Warrenton, Virginia, as of and for the year ended June 30, 2002, as listed in the table of contents. These financial statements are the responsibility of the Town of Warrenton, Virginia's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the Specifications for Audit of Counties, Cities, and Towns issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Warrenton, Virginia, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also in our opinion the combining and individual fund and account group financial statements referred to above present fairly, in all material respects the financial position of each of the individual funds and account groups of the Town of Warrenton, Virginia, as of June 30, 2002 and the results of its operations of such funds and cash flows of individual proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2002 on our consideration of the Town of Warrenton, Virginia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Town of Warrenton, Virginia, taken as a whole. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

*Robinson, Farmer, Cox Associates*

Staunton, Virginia  
September 5, 2002

## General Purpose Financial Statements

## ***Town of Warrenton, Virginia***

### **Combined Balance Sheet - All Funds and Account Groups At June 30, 2002**

	<b>Governmental Fund Types</b>	<b>Proprietary Fund Types</b>
	<b>General</b>	<b>Enterprise</b>
<b>ASSETS AND OTHER DEBITS</b>		
Cash and investments(Note 11)	\$ 8,597,618	\$ 5,879,262
Restricted cash and investments(Note 11)	0	26,992
Receivables:		
Taxes receivable	107,757	0
Other accounts	354,078	358,568
Accrued interest	6,584	0
Notes	6,000	17,874
Inventory	0	177,685
Due from other governments (Note 3)	249,821	0
Bond issuance costs (net of amortization)	0	59,780
Property, plant and equipment (net) (Notes 4 & 5)	0	16,594,680
Other debits:		
Amount to be provided for the retirement of general long-term debt and accrued leave	0	0
Total assets	<u>\$ 9,321,858</u>	<u>\$ 23,114,841</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 751,500	\$ 210,892
Accrued leave payable (Note 7)	0	110,040
Accounts payable from restricted assets	0	26,992
Deferred revenue (Note 9)	110,574	0
Accrued general obligation bond interest payable	0	66,478
Capital leases (Note 7)	0	8,122
General obligation bonds payable (Note 7)	0	3,990,000
Total liabilities	<u>\$ 862,074</u>	<u>\$ 4,412,524</u>
<b>EQUITY AND OTHER CREDITS</b>		
Contributed capital (Note 6)	\$ 0	\$ 9,296,706
Investment in general fixed assets	0	0
Retained earnings:		
Reserved for future projects	0	1,859,194
Unreserved	0	7,546,417
Fund balances:		
Unreserved:		
Designated for subsequent expenditures	2,560,828	0
Undesignated	5,898,956	0
Total equity and other credits	<u>\$ 8,459,784</u>	<u>\$ 18,702,317</u>
Total liabilities, fund equity and other credits	<u>\$ 9,321,858</u>	<u>\$ 23,114,841</u>

The accompanying notes to financial statements are an integral part of this statement.

Exhibit 1

Fiduciary Fund Types	Account Groups		Totals "Memorandum Only"
	General Long-term Debt	General Fixed Assets	
Trust and Agency			
\$ 576,924	\$ 0	\$ 0	\$ 15,053,804
0	0	0	26,992
0	0	0	107,757
0	0	0	712,646
0	0	0	6,584
0	0	0	23,874
0	0	0	177,685
0	0	0	249,821
0	0	0	59,780
0	0	8,017,624	24,612,304
0	305,971	0	305,971
<u>\$ 576,924</u>	<u>\$ 305,971</u>	<u>\$ 8,017,624</u>	<u>\$ 41,337,218</u>
\$ 82,481	\$ 0	\$ 0	\$ 1,044,873
0	232,736	0	342,776
0	0	0	26,992
0	0	0	110,574
0	0	0	66,478
0	73,235	0	81,357
0	0	0	3,990,000
<u>\$ 82,481</u>	<u>\$ 305,971</u>	<u>\$ 0</u>	<u>\$ 5,663,050</u>
\$ 0	\$ 0	\$ 0	\$ 9,296,706
0	0	8,017,624	8,017,624
0	0	0	1,859,194
0	0	0	7,546,417
0	0	0	2,560,828
494,443	0	0	6,393,399
<u>\$ 494,443</u>	<u>\$ 0</u>	<u>\$ 8,017,624</u>	<u>\$ 35,674,168</u>
<u>\$ 576,924</u>	<u>\$ 305,971</u>	<u>\$ 8,017,624</u>	<u>\$ 41,337,218</u>

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
All Governmental Funds  
Year Ended June 30, 2002**

	<u>General</u>
Revenues:	
General property taxes	\$ 605,363
Other local taxes	4,695,289
Permits, privilege fees and regulatory licenses	273,780
Fines and forfeitures	88,950
Revenue from use of money and property	229,157
Miscellaneous	379,256
Recovered costs	22,377
Revenue from the Commonwealth	1,527,205
Revenue from the Federal Government	<u>11,749</u>
Total revenues	\$ <u>7,833,126</u>
Expenditures:	
Current:	
Legislation and policy direction	\$ 126,677
General government administration	174,669
Counsel and legal advice	109,071
Financial administration	314,120
Memberships	4,447
Data processing department	102,348
Department of police	1,560,464
Fire and rescue services	100,007
Bureau of building inspections	178,740
Public works administration	262,343
Bureau of street maintenance	589,397
Arterial street maintenance	457,126
Collector street maintenance	209,358
Bureau of refuse collection	346,603
Recycling department	80,376
Maintenance, building and grounds	206,359
Health and welfare	47,200
Parks and recreation and cultural	144,464
Planning Commission	219,727
Board of Zoning Appeals	317
Architectural Review Board	841
Economic development department	215,229
Capital projects	2,127,027
Debt service:	
Principal retirement	59,864
Interest and other fiscal charges	<u>6,055</u>
Total expenditures	\$ <u>7,642,829</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 190,297
Other financing sources and (uses):	
Operating transfers out	<u>(425,663)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	\$ (235,366)
Fund balances, beginning of year	<u>8,695,150</u>
Fund balances, end of year	<u>\$ 8,459,784</u>

The accompanying notes to financial statements are an integral part of this statement



**Combined Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual**  
**All Governmental Funds**  
**Year Ended June 30, 2002**

	General Fund		
	Budget	Actual	Variance Favorable (Unfavor.)
Revenues:			
General property taxes	\$ 658,424	\$ 605,363	\$ (53,061)
Other local taxes	3,372,902	4,695,289	1,322,387
Permits, privilege fees and regulatory licenses	119,410	273,780	154,370
Fines and forfeitures	90,000	88,950	(1,050)
Revenue from use of money and property	192,283	229,157	36,874
Miscellaneous	51,440	379,256	327,816
Recovered costs	25,000	22,377	(2,623)
Revenue from the Commonwealth	1,564,667	1,527,205	(37,462)
Revenue from the Federal Government	0	11,749	11,749
Total revenues	\$ 6,074,126	\$ 7,833,126	\$ 1,759,000
Expenditures:			
Current:			
Legislation and policy direction	\$ 102,266	\$ 126,677	\$ (24,411)
General government administration	162,675	174,669	(11,994)
Counsel and legal advice	103,590	109,071	(5,481)
Financial administration	315,862	314,120	1,742
Memberships	4,056	4,447	(391)
Data processing department	99,656	102,348	(2,692)
Department of police	1,656,863	1,560,464	96,399
Fire and rescue services	110,449	100,007	10,442
Bureau of building inspections	164,984	178,740	(13,756)
Public works administration	266,275	262,343	3,932
Bureau of street maintenance	472,834	589,397	(116,563)
Arterial street maintenance	501,545	457,126	44,419
Collector street maintenance	282,007	209,358	72,649
Bureau of refuse collection	408,410	346,603	61,807
Recycling program	96,184	80,376	15,808
Maintenance, building and grounds	223,191	206,359	16,832
Health and welfare	127,200	47,200	80,000
Parks and recreation and cultural	144,292	144,464	(172)
Planning Commission	245,582	219,727	25,855
Board of Zoning Appeals	2,319	317	2,002
Architectural Review Board	2,250	841	1,409
Economic development department	218,229	215,229	3,000
Capital projects	2,042,596	2,127,027	(84,431)
Debt service:			
Principal retirement	59,788	59,864	(76)
Interest and other fiscal charges	6,103	6,055	48
Total expenditures	\$ 7,819,206	\$ 7,642,829	\$ 176,377
Excess (deficiency) of revenues over expenditures	\$ (1,745,080)	\$ 190,297	\$ 1,935,377
Other financing sources (uses):			
Operating transfers out	\$ 0	\$ (425,663)	\$ (425,663)
Total other financing sources (uses)	\$ 0	\$ (425,663)	\$ (425,663)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	\$ (1,745,080)	\$ (235,366)	\$ 1,509,714
Fund balances at beginning of year	1,745,080	8,695,150	6,950,070
Fund balances at end of year	\$ 0	\$ 8,459,784	\$ 8,459,784

The accompanying notes to financial statements are an integral part of this statement.

**Proprietary Funds  
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings  
Year Ended June 30, 2002**

	<b>Proprietary Fund Type Enterprise</b>
Operating revenues:	
Sale of water and sewer services	\$ 3,285,788
Sale of cemetery services	5,075
Miscellaneous revenues	17,586
	<u>3,308,449</u>
Total operating revenues	\$ <u>3,308,449</u>
Operating expenses:	
Source of supply of water	\$ 527,624
Maintenance of water and sewer lines	349,293
Meter reading, billing and servicing	225,929
Operation of sewage treatment plant	900,888
Administration	485,175
Capital outlay	19,074
Depreciation	830,081
Amortization	8,856
	<u>3,346,920</u>
Total operating expenses	\$ <u>3,346,920</u>
Net operating income	\$ <u>(38,471)</u>
Non-operating revenues (expenses):	
Interest revenue	\$ 146,004
Rental income	108,445
Water/Sewer connection fees	2,103,475
Interest expense	(204,479)
Other	(500)
	<u>2,152,945</u>
Total non-operating revenues (expenses)	\$ <u>2,152,945</u>
Income (loss) before operating transfers	\$ 2,114,474
Operating transfers in	<u>425,663</u>
Net income (loss)	\$ 2,540,137
Add depreciation on fixed assets acquired by grants	<u>315,114</u>
Increase (decrease) in retained earnings	\$ 2,855,251
Retained earnings, beginning of year	<u>7,044,803</u>
Retained earnings, end of year	<u><u>\$ 9,900,054</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**Combined Statement of Cash Flows**  
**All Proprietary Fund Types and Similar Trust Funds**  
**Year Ended June 30, 2002**

	Proprietary Fund Types Enterprise Fund	Fiduciary Fund Types Non-Expendable Trust Fund	Totals "Memorandum Only"
	Water & Sewer Fund	Perpetual Care Fund	
Cash flows from operating activities:			
Operating income (loss)	\$ (40,342)	\$ 5,075	\$ (35,267)
Adjustments to reconcile income with net cash provided by (used in) operating activities:			
Depreciation	830,081	0	830,081
Amortization	8,856	0	8,856
(Increase) decrease in accounts receivable	26,629	0	26,629
(Increase) decrease in notes receivable	4,698	0	4,698
(Increase) decrease in inventory	(16,855)	0	(16,855)
Increase (decrease) in accounts payable	66,859	(2,640)	64,219
Increase (decrease) in accrued leave	20,449	0	20,449
Increase (decrease) in payable from restricted assets	1,381	0	1,381
Increase (decrease) in accrued general obligation interest	(8,642)	0	(8,642)
Net cash provided by (used in) operating activities	\$ 893,114	\$ 2,435	\$ 895,549
Cash flows from noncapital financing activities:			
Operating transfers from other funds	\$ 0	\$ 438,844	\$ 438,844
Cash flows from capital and related financing activities:			
Repayment of long term debt	\$ (622,102)	\$ 0	\$ (622,102)
Interest payments on long-term debt	(204,979)	0	(204,979)
Purchase of fixed assets	(758,118)	0	(758,118)
Capital contributions from customers - tap fees	2,103,475	0	2,103,475
Net cash (used in) capital and related financing activities	\$ 518,276	\$ 0	\$ 518,276
Cash flows from investing activities:			
Investment income	\$ 134,230	\$ 11,774	\$ 146,004
Rental income	108,445	0	108,445
Net cash provided by investing activities	\$ 242,675	\$ 11,774	\$ 254,449
Net increase (decrease) in cash	1,654,065	453,053	2,107,118
Cash and cash equivalents at beginning of year	\$ 4,252,189	\$ 41,390	\$ 4,293,579
Cash and cash equivalents at end of year	\$ 5,906,254	\$ 494,443	\$ 6,400,697
Non-cash noncapital financing activities:			
Operating transfer of fixed assets and accrued leave to general fund	\$ 0	\$ (13,181)	\$ (13,181)

The accompanying notes to financial statements are an integral part of this statement.

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Town of Warrenton, Virginia

Notes to Financial Statements  
As of June 30, 2002

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**Note 1—Summary of Significant Accounting Policies:**

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The financial statements of the Town conform to generally accepted accounting principles (GAAP) applicable to government units promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant policies:

**A. Financial Reporting Entity:**

The government is a municipal corporation governed by an elected mayor and seven-member council. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. There are no component units for the Town of Warrenton.

**B. Cost Sharing Agreement:**

The Town has, with the County of Fauquier, a joint dispatch center. The Town appoints three members of the eight-member board of the Center. The agreement, which began in July 1994, has the Town sharing 20% of the net costs. All E-911 telephone taxes are credited to the Center and then expenses are shared on a 20/80 split with the County. Since the Center is not truly subject to joint control in that Fauquier County has the ability to unilaterally control the financial and operating policies of the Center, the Center does not meet the definition of a joint venture.

**C. Financial Statement Presentation:**

The accounts are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund and account group are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses. Account groups are used to establish accounting control over certain assets and liabilities that are not recorded in funds.

The following table shows the fund types and fund classifications that are generally recognized in municipal accounting, and the titles of the funds maintained by the Town which correspond to these classifications:

<u>Fund Type</u>	<u>Fund Classification</u>	<u>Fund Title</u>
Governmental	General	General Fund
Proprietary	Enterprise	Water & Sewer Fund
Fiduciary	Trust and Agency	Perpetual Care Fund, Agency Funds

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**Note 1—Summary of Significant Accounting Policies: (Continued)**

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**C. Financial Statement Presentation (Continued)**

1. Governmental Funds account for the expendable financial resources, other than those accounted for in Proprietary and Similar Funds. The Governmental Fund measurement focus is on determination of financial position and changes in financial position, rather than on net income determination as would apply to a commercial enterprise. The individual Governmental Funds are:

General Fund accounts for all revenues and expenditures applicable to the general operations of the Town which are not accounted for in other funds.

2. Proprietary Funds account for operations that are financed in a manner similar to private business enterprises. The Proprietary Fund measurement focus is upon determination of net income, financial position, and changes in financial position. Proprietary Funds consist of Enterprise Funds.

Enterprise Funds account for the financing of services to the general public where all or most of the operating expenses involved are recorded in the form of charges to users of such services. The Water and Sewer Fund is accounted for as an enterprise fund.

3. Fiduciary Funds (Trust and Agency Funds) account for assets held by a governmental unit as an agent or custodian for individuals, private organizations, other governmental units, or other funds. The Town's Agency Funds include the Agency Fund and the Retirement Fund. The Perpetual Care Fund is accounted for as a Non-Expendable Trust Fund.
4. Account Groups are used to account for general obligation long-term debt and general fixed assets. Long-term debt and fixed assets related to the Proprietary Fund are accounted for in this fund. General long-term debt and general fixed asset account groups are included herein.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets. General fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group, not in the governmental funds.

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**Note 1—Summary of Significant Accounting Principles: (Continued)**

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**C. Financial Statement Presentation (Continued)**

5. Combined/Combining Format

Combined Financial Statements - These statements are referred to as General Purpose Financial Statements and provide a summary overview of the financial position of all funds and account groups of a specific fund classification are combined and presented as one in the financial statements. For example, all funds classified as Proprietary Funds are combined and presented under the caption "Proprietary Funds."

Combining Financial Statements - By Fund Classification - These statements present individual financial statements for each fund of a given fund classification. For example, each Proprietary Fund is shown individually.

6. Budgetary Comparison Statements - The Combined and Combining Statements of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual, compare budget and actual data for all Governmental Funds for which budgets were adopted. Amounts shown as budget represent the amended operating budget as adopted and amended by the Town Council for the fiscal year ended June 30, 2002. A review of the budgetary comparisons presented herein will disclose how accurately the governing body was able to forecast the revenues and expenditures of the Town.
7. Total Column on Combined Statements - The total column on the Combined Statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**D. Basis of Accounting**

1. Governmental Funds - Governmental Funds utilize the modified accrual basis of accounting under which revenues and related assets are recorded when measurable and available to finance operations during the year. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes not collected within 60 days after year end are reflected as deferred revenues. Sales taxes, which are collected by the State and subsequently remitted to the Town are recognized as revenues and receivables upon collection by the State, which is generally in the month preceding receipt by the Town.

Licenses, permits and fines are recorded as revenues when received. Intergovernmental revenues, consisting primarily of State and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure.

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**Note 1—Summary of Significant Accounting Principles: (Continued)**

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**D. Basis of Accounting (Continued)**

Expenditures, other than accrued vacation pay not currently payable and interest on long-term debt, are recorded as the related fund liabilities are incurred. Sick leave is recorded as an expenditure when paid. Interest on long-term debt is recognized when due except for interest due on July 1, which is accrued.

2. Proprietary Fund - The accrual basis of accounting is used for the Enterprise Funds. Under the accrual method, revenues are recognized in the accounting period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred. The Town applies all applicable GASB pronouncements as well as FASB Statements and Interpretations, APB's and ARB's issued on or before November 30, 1989 unless these pronouncements conflict with or contradict GASB pronouncements.

3. Fiduciary Funds (Trust and Agency Funds)

Agency Funds utilize the modified accrual basis of accounting. Non-expendable trust funds utilize the accrual basis of accounting.

**E. Budgets and Budgetary Accounting**

Budgets are adopted for the General Fund and Enterprise Funds.

The following procedures are used by the Town in establishing the budgetary data reflected in the financial statements:

1. Prior to April 1, the Town Manager submits to the Town Council a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to May 1, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department or category level. The appropriation for each department or category can be revised only by the Town Council. The Town Manager is authorized to transfer budgeted amounts within departments.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Appropriations lapse on June 30, for all Town funds unless they are carried forward by a resolution of Town Council. Several supplemental appropriations were necessary during the fiscal year.
8. All budget data presented in the accompanying financial statements is the amended budget as of June 30.



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**Note 1—Summary of Significant Accounting Principles: (Continued)**

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**F. Inventory**

Inventories are valued at cost, which approximates market, using the first in/first out (FIFO) method. The costs of inventories are recorded as expenses when consumed rather than when purchased.

**G. Property, Plant, and Equipment (Fixed Assets)**

Property, plant and equipment purchased is stated at cost or estimated cost. Donated property is recorded at market value prevailing at date of donation. Depreciation for Proprietary Fund fixed assets has been provided over the following estimated useful lives using the straight-line method:

	<u>Prior to 1982</u>	<u>After 1982</u>
Improvements . . . . .	40	50 years
Water and sewer lines . . . . .	40	50 years
Water and sewer plant . . . . .	40	50 years
Equipment . . . . .	10	5-10 years

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the assets capitalized in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized. Such assets are immovable and of value only to the government.

**H. Cash and Cash Equivalents**

The Town's cash and cash equivalents consist principally of demand deposits and certificates of deposit, which generally have an original maturity date of three months or less. For the statement of cash flows, all of these are considered cash and cash equivalents.

**I. Property Tax Calendar**

The Town collects real property taxes semi-annually and personal property taxes annually. Real property and personal property is assessed by the County of Fauquier Commissioner of Revenue annually on property owned on January 1<sup>st</sup> and July 1<sup>st</sup> for real estate and January 1<sup>st</sup> for personal property. Town Council adopts tax rates in April of each year as a part of the budget process. Real property taxes are levied as of January 1<sup>st</sup> and July 1<sup>st</sup> and are due on June 15<sup>th</sup> and December 15<sup>th</sup> of each year. Personal property taxes are levied as of January 1<sup>st</sup> and are due on December 15<sup>th</sup> of each year. Penalties accrue on the unpaid balances at this date. Interest is charged on unpaid balances beginning December 16<sup>th</sup> and June 16<sup>th</sup>. Unpaid real property taxes constitute a lien against the property. The Town bills and collects its own property taxes.

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**Note 1—Summary of Significant Accounting Principles: (Continued)**

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**J. Investments**

Investments are reported at fair value. Certificates of deposits are reported in the accompanying financial statements as cash and cash equivalents.

**K. Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

**L. Issuance Costs**

Issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the straight line method, which is not materially different from the effective interest method.

**M. Encumbrance Accounting**

Encumbrance accounting is employed in governmental funds. Encumbrances outstanding at year end are not significant and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

**N. New Governmental Accounting Standards Board Standards (GASB)**

GASB has issued Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, which establishes specific standards for basic financial statements, management's discussion and analysis (MD&A), and certain required supplementary information other than MD&A. This statement will become effective for the Town in fiscal year 2004. Management has not yet determined the impact of this statement on the financial statements.

**O. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Town of Warrenton, Virginia

Notes to Financial Statements  
As of June 30, 2002 (Continued)

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**Note 2—Property Taxes Receivable:**

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Property is assessed at its value on January 1<sup>st</sup> and July 1<sup>st</sup> for real estate and January 1<sup>st</sup> for personal property. Property taxes attach as an enforceable lien on property as of January 1<sup>st</sup> and July 1<sup>st</sup>. Real estate taxes are payable June 15<sup>th</sup> and December 15<sup>th</sup>. Personal property taxes are payable December 15<sup>th</sup>. The Town bills and collects its own property taxes.

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**Note 3—Due From Other Governmental Units:**

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	<u>Primary Government</u>
Commonwealth of Virginia:	
Highway maintenance funds . . . . .	\$ 194,673
Sales tax . . . . .	51,987
PPTRA . . . . .	<u>3,161</u>
Total . . . . .	\$ <u>249,821</u>

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**Note 4—Changes in General Fixed Assets:**

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A summary of general fixed assets at June 30, 2002 follows:

**Primary Government:**

	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2002</u>
Land and buildings . . . . .	\$ 4,273,439	\$ 9,497	\$ 204,726	\$ 4,078,210
Furniture and equipment . . . . .	1,338,554	86,903	46,295	1,379,162
Vehicles . . . . .	1,172,648	117,250	-	1,289,898
Construction in progress . . . . .	<u>-</u>	<u>1,270,354</u>	<u>-</u>	<u>1,270,354</u>
Totals . . . . .	\$ <u>6,784,641</u>	\$ <u>1,484,004</u>	\$ <u>251,021</u>	\$ <u>8,017,624</u>

Town of Warrenton, Virginia

Notes to Financial Statements  
As of June 30, 2002 (Continued)

**Note 5—Proprietary Fixed Assets:**

A summary of Proprietary Fund property, plant and equipment at June 30, 2002 follows:

	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2002</u>
Land . . . . .	\$ 671,160	\$ -	\$ 5,500	\$ 665,660
Buildings . . . . .	3,997	-	3,997	-
Dam . . . . .	1,590,017	-	-	1,590,017
Water and sewer lines . . . . .	10,071,595	433,696	-	10,505,291
Equipment . . . . .	1,175,887	65,019	48,454	1,192,452
Water and sewer plants . . . . .	14,157,294	22,950	9,150	14,171,094
Construction in progress . . . . .	<u>78,932</u>	<u>236,453</u>	<u>-</u>	<u>315,385</u>
Totals . . . . .	<u>\$ 27,748,882</u>	<u>\$ 758,118</u>	<u>\$ 67,101</u>	<u>\$ 28,439,899</u>
Less accumulated depreciation	<u>\$ (11,062,706)</u>	<u>\$ (830,081)</u>	<u>\$ (47,568)</u>	<u>\$ (11,845,219)</u>
Net . . . . .	<u>\$ 16,686,176</u>	<u>\$ (71,963)</u>	<u>\$ 19,533</u>	<u>\$ 16,594,680</u>

**Note 6—Contributed Capital:**

The Town amortizes contributed capital for enterprise activities on the same basis as the related assets are depreciated. For the year ended June 30, 2002, the Town has implemented Governmental Accounting Standards Board Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions. Changes in contributed capital for the year ended June 30, 2002 are as follows:

Contributed capital, July 1, 2001 . . . . .	\$ 9,611,820
Additions . . . . .	-
Subtotal . . . . .	<u>\$ 9,611,820</u>
Amortization during the year . . . . .	<u>(315,114)</u>
Contributed capital, June 30, 2002 . . . . .	<u>\$ 9,296,706</u>

Town of Warrenton, Virginia

Notes to Financial Statements  
As of June 30, 2002 (Continued)

**Note 7—Long-term Debt:**

**Primary Government:**

Annual requirements to retire long-term debt are as follows:

Year Ending June 30,	Enterprise Funds				General Long-Term Debt	
	General Obligation Bonds		Capital Leases		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2003 . . .	\$ 615,000	\$ 185,905	\$ 4,799	\$ 301	\$ 63,392	\$ 2,527
2004 . . .	620,000	158,425	3,323	1,760	9,843	2,663
2005 . . .	620,000	129,905	-	-	-	-
2006 . . .	630,000	98,955	-	-	-	-
2007 . . .	645,000	65,160	-	-	-	-
2008 ..	415,000	36,332	-	-	-	-
2009 . . .	445,000	12,460	-	-	-	-
Total . . .	<u>\$ 3,990,000</u>	<u>\$ 687,142</u>	<u>\$ 8,122</u>	<u>\$ 2,061</u>	<u>\$ 73,235</u>	<u>\$ 5,190</u>

**Changes in Long-term Debt**

The following is a summary of long-term transactions of the Town for the year ended June 30, 2002:

	Compensated Absences		Enterprise		General	Total
	Enterprise	General Fund	Bonds	Leases	Long-Term Debt Leases	
Balance payable at July 1, 2001 . . . . .	\$ 92,741	\$ 248,200	\$ 4,600,000	\$ 20,224	\$ 133,099	\$ 5,094,264
Retirements of Water & Sewer bonds . . . . .	-	-	(610,000)	-	-	(610,000)
Retirement: Lease purchase . . . . .	-	-	-	(12,102)	(59,864)	(71,966)
Compensated absences (net change) . . . . .	17,299	(15,464)	-	-	-	1,835
Balance payable at June 30, 2002 . . . . .	<u>\$ 110,040</u>	<u>\$ 232,736</u>	<u>\$ 3,990,000</u>	<u>\$ 8,122</u>	<u>\$ 73,235</u>	<u>\$ 4,414,133</u>

Town of Warrenton, Virginia

Notes to Financial Statements  
As of June 30, 2002 (Continued)

Note 7—Long-term Debt: (Continued)

Primary Government: (Continued)

	<u>Amount Outstanding</u>
<u>Details of Long-term Indebtedness:</u>	
<u>General Long-term Debt:</u>	
<u>General Long-term debt Account Group:</u>	
<u>Capital Leases:</u>	
\$21,259 issued December 12, 2000 due in 36 monthly installments of \$638 beginning March 1, 2001 through March 1, 2004. The lease is for the purchase of computer equipment . . . . .	\$ 12,208
\$160,000 issued July 7, 2000 due in 35 monthly installments of \$4,856 beginning August 7, 2000 through July 7, 2003, the lease is for the purchase of 6 police cruisers . . . . .	<u>61,027</u>
Total general long-term debt account group debt . . . . .	\$ <u>73,235</u>
<u>Enterprise Funds:</u>	
Water and Sewer general obligation bonds:	
\$6,500,000 issued April 1, 1993 due in annual installments varying from \$85,000 to \$645,000 due September 1, 2008 interest rates from 2.5% to 5.6% . . . . .	\$ 3,990,000
<u>Capital Leases:</u>	
\$14,172 issued December 12, 2000 due in 36 monthly installments of \$425 beginning March 1, 2001 through March 1, 2004. The lease is for the purchase of computer equipment . . . . .	<u>8,122</u>
Total enterprise funds long-term debt . . . . .	\$ <u>3,998,122</u>

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**Note 8—Defined Benefit Pension Obligation:**

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**A. Plan Description**

The Town contributes to the Virginia Retirement System (VRS), an agent and cost-sharing multiple-employer defined benefit pension plan administered by the Virginia Retirement System (System).

All full-time, salaried permanent employees of participating employers must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service (age 60 for participating local law enforcement officers, firefighters, and sheriffs), or at age 50 with at least 30 years of service if elected by the employer (age 50 with at least 25 years of service for participating local law enforcement officers, firefighters, and sheriffs) payable monthly for life in an amount equal to 1.7 percent of their average final salary (AFS) for each year of credited service. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living increases limited to 5% per year beginning in their second year of retirement. AFS is defined as the highest consecutive 36 months of salary. Participating local law enforcement officers, firefighters, and sheriffs may receive a monthly benefit supplement if they retire prior to age 65. The VRS also provides death and disability benefits. Title 51.1 of the *Code of Virginia* (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for VRS. A copy of that report may be obtained by writing to the System at P.O. Box 2500, Richmond, VA 23218-2500.

**B. Funding Policy**

Plan members are required by Title 51.1 of the *Code of Virginia* (1950), as amended, to contribute 5% of their annual salary to the VRS. The employer has assumed this 5% member contribution. In addition, the Town is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the *Code of Virginia* and approved by the VRS Board of Trustees. The Town's contribution rate for the fiscal year ended 2002 was 6.0% of annual covered payroll.

**C. Annual Pension Cost**

For 2002, the Town's annual pension cost of \$210,683 was equal to the Town's required and actual contributions. The required contribution was determined as part of the June 30, 2001 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return, (b) projected salary increases of 4.25%-6.1% per year, and (c) 3.0% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3%. The actuarial value of the Town's assets is equal to the modified market value of assets. The required contribution was determined using the level percentage method and there are no years remaining in the open amortization period.

Town of Warrenton, Virginia

Notes to Financial Statements  
As of June 30, 2002 (Continued)

**Note 8—Defined Benefit Pension Obligation: (Continued)**

**C. Annual Pension Cost (continued)**

This method was determined using techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The Town's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis within a period of 30 years or less.

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)*</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2000	\$ 210,794	100%	\$ 0
June 30, 2001	243,008	100%	\$ 0
June 30, 2002	210,683	100%	\$ 0

\* Includes employer costs only

**D. Required Supplementary Information**

**Schedule of Funding Progress for Defined Pension Benefit Plan**

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as a Percentage of Payroll</u>
06/30/01	\$ 11,077,819	\$ 9,446,564	\$ (1,631,255)	117.27%	\$ 3,423,426	(47.65%)
06/30/00	9,941,230	8,817,151	(1,124,079)	112.75%	3,276,021	(34.31%)
06/30/99	8,547,058	8,917,292	370,234	95.08%	3,014,056	12.30%
06/30/98	7,340,072	7,976,592	636,520	92.00%	3,043,798	20.90%



Town of Warrenton, Virginia

Notes to Financial Statements  
As of June 30, 2002 (Continued)

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**Note 9—Deferred Revenue:**

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Deferred revenue represents uncollected tax billings at June 30, 2002 not available for funding of current expenditures. Taxes due at June 30 and collected within 60 days after June 30 are recognized as revenue in the accompanying financial statements.

Deferred revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable, but not available. Deferred revenue totaling \$110,574 is comprised of \$103,047 uncollected tax billings and \$7,527 of prepaid tax collections not available for funding for current expenditures.

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**Note 10—Segment Information:**

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The Town maintains an Enterprise Fund which provides water and sewer services. Segment information for the year ended June 30, 2002 was as follows:

	<u>Water and Sewer Fund</u>
Operating revenues . . . . .	\$ 3,306,578
Depreciation expense and amortization expense . . .	838,937
Operating income or (loss) . . . . .	(40,342)
Net income or loss . . . . .	2,097,625
Plant, property and equipment:	
Additions . . . . .	758,118
Net increase (decrease) in cash flows . . . . .	1,654,065
Total assets . . . . .	23,114,841
Bonds and other long-term liabilities:	
Payable from operating revenues . . . . .	3,378,323
Total equity . . . . .	18,702,317
Change in contributed capital . . . . .	-
Net working capital . . . . .	5,426,180

# Town of Warrenton, Virginia

## Notes to Financial Statements As of June 30, 2002 (Continued)

### Note 11—Deposits and Investments:

#### A. Deposits

All cash of the Town is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the *Code of Virginia* (a multiple financial institution collateral pool) and covered by federal depository insurance. Under the act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and Loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. Deposits covered by the Act are considered insured since the Treasury Board is authorized to make additional assessments.

#### B. Investments

Statutes authorize the Town to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank) and Asian Development Bank, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker's acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool (LGIP).

The Town's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Town or its safekeeping agent in the Town's name. Category 2 includes uninsured or unregistered investments for which the securities are held by the counterparty's trust department or safekeeping agent in the Town's name. Category 3 includes uninsured and unregistered investments for which the securities are held by counterparty, or by its trust department or safekeeping agent but not in the Town's name.

Shares in the LGIP maintain a constant dollar value. As a result, the fair value of the Town's position in the investment pool is the same as the value of the pool shares. As this pool is not SEC registered, regulatory oversight of the pool rests with the Virginia State Treasury.

	Category			Carrying	Fair
	1	2	3	Amount	Value
Government agency bonds	\$ -	\$ -	\$ 3,530,280	\$ 3,530,280	\$ 3,530,280
Repurchase agreements . . .	-	-	356,723	356,723	356,723
U.S. Treasury Bills . . . . .	-	-	693,522	693,522	693,522
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,580,525</u>		
Investment in State Treasurer's Local					
Government Investment Pool (LGIP) . . . . .				6,345,221	6,345,221
Total investments . . . . .				<u>\$ 10,925,746</u>	<u>\$ 10,925,746</u>
Total deposits . . . . .				4,154,766	
Cash on hand . . . . .				284	
Total cash and investments . . . . .				<u>\$ 15,080,796</u>	

Town of Warrenton, Virginia

Notes to Financial Statements  
As of June 30, 2002 (Continued)

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**Note 12—Surety Bonds:**

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	<u>Amount</u>
Fidelity and Deposit Company-Surety	
Kenneth L. McLawhon, Town Manager . . . . .	\$ 50,000
Public Employees Blanket Bond . . . . .	25,000
United States Fidelity and Guaranty Company-Surety	
Director of Finance . . . . .	500,000
Deputy Finance Director . . . . .	500,000

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**Note 13—Risk Management:**

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The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The Town also provides a risk management program for workers' compensation. Premiums are paid by the general fund and all other funds and are available to pay claims, claim reserves and administrative costs of the program.

The Town is a member of the Virginia Municipal Group Self Insurance Association for workers' compensation. This program is administered by a servicing contractor, which furnishes claims review and processing.

Each Association member jointly and severally agrees to assume, pay and discharge any liability. The Town pays Virginia Municipal Group contributions and assessments based upon classification and rates into a designated cash reserve fund out of which expenses of the Association and claims and awards are to be paid. In the event of a loss deficit and depletion of all available excess insurance, the Association may assess all members in the proportion which the premium of each bears to the total premiums of all members in the year in which such deficit occurs. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three fiscal years.

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## Combining and Account Group Financial Statements



## **FIDUCIARY FUNDS**

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### Agency:

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds. The Town's Agency funds consist of the Agency and Retirement Funds.

### Non-Expendable Trust Fund:

Non-Expendable Trust Funds are used to account for trusts that stipulate that only earnings, and not principal may be spent. The Non-Expendable Trust Fund of the Town is the Perpetual Care Fund.

**Town of Warrenton, Virginia**

Exhibit A-1

**Fiduciary Funds  
Combining Balance Sheet  
At June 30, 2002**

	Agency Funds		Non-Expendable Trust Fund	
	Agency	Retirement Fund	Perpetual Care Fund	Total
<b>ASSETS</b>				
Cash	\$ 74,664	\$ 7,817	\$ 494,443	\$ 576,924
<b>LIABILITIES</b>				
Accounts payable	\$ 74,664	\$ 7,817	\$ 0	\$ 82,481
<b>EQUITY</b>				
Fund balance:				
Unreserved:				
Undesignated	\$ 0	\$ 0	\$ 494,443	\$ 494,443
Total liabilities and equity	\$ 74,664	\$ 7,817	\$ 494,443	\$ 576,924

The accompanying notes to financial statements are an integral part of this statement.



**Agency Funds  
Statement of Changes in Assets and Liabilities  
Year Ended June 30, 2002**

	<b>Balance July 1, 2001</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2002</b>
<b>AGENCY FUND</b>				
Assets:				
Cash	\$ <u>51,020</u>	\$ <u>23,644</u>	\$ <u>0</u>	\$ <u>74,664</u>
Liabilities:				
Accounts payable	\$ <u>51,020</u>	\$ <u>23,644</u>	\$ <u>0</u>	\$ <u>74,664</u>
<b>RETIREMENT FUND</b>				
Assets:				
Cash	\$ <u>7,612</u>	\$ <u>205</u>	\$ <u>0</u>	\$ <u>7,817</u>
Liabilities:				
Accounts payable	\$ <u>7,612</u>	\$ <u>205</u>	\$ <u>0</u>	\$ <u>7,817</u>
<b>TOTALS-ALL AGENCY FUNDS</b>				
Assets:				
Cash	\$ <u>80,477</u>	\$ <u>23,849</u>	\$ <u>0</u>	\$ <u>82,481</u>
Liabilities:				
Accounts payable	\$ <u>80,477</u>	\$ <u>23,849</u>	\$ <u>0</u>	\$ <u>82,481</u>

The accompanying notes to financial statements are an integral part of this statement.

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## **ACCOUNT GROUPS**

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General Fixed Assets Account Group - Fixed assets used in governmental type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. No depreciation has been provided on general fixed assets.

**Schedule of General Fixed Assets--By Source  
At June 30, 2002**

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General fixed assets:	
Land and buildings	\$ 4,078,210
Furniture and equipment	1,379,162
Vehicles	1,289,898
Construction in progress	<u>1,270,354</u>
 Total general fixed assets	 \$ <u>8,017,624</u>
 Investment in general fixed assets by source:	
General fund	\$ 6,886,655
Special revenue fund	723,177
Donations	<u>407,792</u>
 Total investment in general fixed assets	 \$ <u>8,017,624</u>

**Schedule of General Fixed Assets--By Function and Activity  
At June 30, 2002**

<b>Function and Activity</b>	<b>Land and Buildings</b>	<b>Furniture and Equipment</b>	<b>Vehicles</b>	<b>Construction in Progress</b>	<b>Total</b>
General Government:					
Legislation	\$ 0	\$ 14,540	\$ 0	\$ 0	\$ 14,540
General Administration	633,759	356,246	0	0	990,005
Financial Administration	0	31,949	0	0	31,949
Total General Government	\$ 633,759	\$ 402,735	\$ 0	\$ 0	\$ 1,036,494
Public Safety:					
Police	\$ 213,774	\$ 195,802	\$ 455,920	\$ 1,270,354	\$ 2,135,850
Inspections	0	3,495	39,160	0	42,655
Total Public Safety	\$ 213,774	\$ 199,297	\$ 495,080	\$ 1,270,354	\$ 2,178,505
Public Works:					
Maintenance	\$ 2,045,845	\$ 523,851	\$ 564,884	\$ 0	\$ 3,134,580
Sanitation	0	0	229,934	0	229,934
Total Public Works	\$ 2,045,845	\$ 523,851	\$ 794,818	\$ 0	\$ 3,364,514
Community Development	\$ 1,184,832	\$ 253,279	\$ 0	\$ 0	\$ 1,438,111
Total general fixed assets	\$ 4,078,210	\$ 1,379,162	\$ 1,289,898	\$ 1,270,354	\$ 8,017,624

**Schedule of Changes in General Fixed Assets--By Function and Activity  
For Year Ended June 30, 2002**

<b>Function and Activity</b>	<b>General Fixed Assets July 1, 2001</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>General Fixed Assets June 30, 2002</b>
General Government:					
Legislation	\$ 14,540	\$ 0	\$ 0	\$ 0	\$ 14,540
General Administration	993,871	6,366	10,232	0	990,005
Financial Administration	<u>31,949</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>31,949</u>
Total General Government	\$ <u>1,040,360</u>	\$ <u>6,366</u>	\$ <u>10,232</u>	\$ <u>0</u>	\$ <u>1,036,494</u>
Public Safety:					
Police	\$ 1,161,958	\$ 1,270,354	\$ 296,462	\$ 0	\$ 2,135,850
Inspections	<u>42,655</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>42,655</u>
Total Public Safety	\$ <u>1,204,613</u>	\$ <u>1,270,354</u>	\$ <u>296,462</u>	\$ <u>0</u>	\$ <u>2,178,505</u>
Public Works:					
Maintenance	\$ 2,952,940	\$ 181,640	\$ 0	\$ 0	\$ 3,134,580
Sanitation	<u>229,934</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>229,934</u>
Total Public Works	\$ <u>3,182,874</u>	\$ <u>181,640</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>3,364,514</u>
Community Development	\$ <u>1,356,794</u>	\$ <u>81,317</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1,438,111</u>
Total general fixed assets	\$ <u><u>6,784,641</u></u>	\$ <u><u>1,539,677</u></u>	\$ <u><u>306,694</u></u>	\$ <u><u>0</u></u>	\$ <u><u>8,017,624</u></u>

## **Supporting Schedules**





**Town of Warrenton, Virginia**

Schedule 1

Page 1 of 2

**Governmental Funds  
Schedule of Revenues - Budget and Actual  
Year Ended June 30, 2002**

<b>Fund, Major and Minor Revenue Source</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavor.)</b>
<b>GENERAL FUND:</b>			
Revenue from local sources:			
General property taxes:			
Real property taxes	\$ 249,140	\$ 230,596	\$ (18,544)
Public service corporation taxes:			
Real and personal	20,000	12,374	(7,626)
Personal property taxes	330,284	315,496	(14,788)
Delinquent	15,000	20,299	5,299
Penalties	24,000	12,128	(11,872)
Interest	20,000	14,470	(5,530)
Total general property taxes	\$ 658,424	\$ 605,363	\$ (53,061)
Other local taxes:			
Local sales tax	\$ 238,000	\$ 293,596	\$ 55,596
Electrical utility taxes	245,500	258,470	12,970
Natural gas utility taxes	95,000	125,841	30,841
Telephone utility tax	351,000	579,950	228,950
Business, prof occupational licenses	644,298	987,283	342,985
Meal tax	931,604	1,289,265	357,661
Transient occupancy tax	107,000	112,318	5,318
Motor vehicle licenses	105,500	132,298	26,798
Bank franchise taxes	340,000	564,768	224,768
Consumption tax	0	53,114	53,114
Cable TV franchise fee	90,000	51,499	(38,501)
Cigarette tax	225,000	246,887	21,887
Total other local taxes	\$ 3,372,902	\$ 4,695,289	\$ 1,322,387
Licenses, permits and privilege fees:			
Taxi driver permits	\$ 100	\$ 195	\$ 95
Building and related permits	76,000	173,468	97,468
Sign permits	2,000	3,062	1,062
Zoning appeals fees	300	900	600
Rezoning fees	3,000	1,150	(1,850)
Site development fees	20,000	55,698	35,698
Subdivision fees	2,000	16,852	14,852
Zoning fees	1,000	1,825	825
Review and inspection fees	4,000	1,875	(2,125)
Electrical permits	1,500	2,741	1,241
Utility construction permits	1,000	660	(340)
Zoning permits	4,000	8,400	4,400
Court recovery fees	10	4	(6)
Certificate of occupancy permit	4,500	6,950	2,450
Total licenses, permits and privilege fees	\$ 119,410	\$ 273,780	\$ 154,370
Fines and Forfeitures:			
Court fines and forfeitures	\$ 75,000	\$ 64,416	\$ (10,584)
Parking fines	15,000	24,534	9,534
Total fines and forfeitures	\$ 90,000	\$ 88,950	\$ (1,050)

**Town of Warrenton, Virginia**

Schedule 1  
Page 2 of 2

**Governmental Funds  
Schedule of Revenues - Budget and Actual  
Year Ended June 30, 2002 (Continued)**

<b>Fund, Major and Minor Revenue Source</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavor.)</b>
GENERAL FUND: (Continued)			
Revenue from use of money and property:			
Interest on bank deposits	\$ 188,983	\$ 225,755	\$ 36,772
Rental income	3,300	3,402	102
Total revenue from use of money and property	\$ 192,283	\$ 229,157	\$ 36,874
Miscellaneous revenue:			
Telephone commission	\$ 700	\$ 185	\$ (515)
Sale of materials and supplies	500	1,236	736
Proffers	28,440	34,688	6,248
Sale of salvage and surplus	5,000	610	(4,390)
Sale of plastic bags	4,300	4,764	464
Sale of printed materials	1,500	888	(612)
Sale of real property	0	315,082	315,082
Traffic lights	0	10,080	10,080
Recycling income	7,000	5,942	(1,058)
Sale of cemetery lots	1,050	825	(225)
Miscellaneous	2,950	4,956	2,006
Total miscellaneous income	\$ 51,440	\$ 379,256	\$ 327,816
Recovered costs:			
Recoveries and rebates	\$ 25,000	\$ 22,377	\$ (2,623)
Total revenue from local sources	\$ 4,509,459	\$ 6,294,172	\$ 1,784,713
Revenue from the Commonwealth:			
Non-categorical aid:			
ABC profits	\$ 19,000	\$ 27,533	\$ 8,533
Motor vehicle rental tax	50,000	73,334	23,334
PPTRA	499,681	486,925	(12,756)
Rolling stock tax	65	123	58
Total non-categorical aid	\$ 568,746	\$ 587,915	\$ 19,169
Categorical aid:			
Litter control	\$ 2,500	\$ 2,629	\$ 129
DJCP law enforcement grant	155,875	139,137	(16,738)
Bluemont series grant	\$ 5,000	\$ 5,000	\$ 0
Street & highway maintenance	726,546	783,692	57,146
Loudoun transit	80,000	0	(80,000)
Other	19,000	0	(19,000)
Fire program	7,000	8,832	1,832
Total Categorical aid	\$ 995,921	\$ 939,290	\$ (56,631)
Total Revenue from Commonwealth	\$ 1,564,667	\$ 1,527,205	\$ (37,462)
Revenue from the Federal Government:			
Transportation safety	\$ 0	\$ 3,768	\$ 3,768
Criminal justice grant	0	7,981	7,981
Total Revenue from Federal Government	\$ 0	\$ 11,749	\$ 11,749
Total General Fund	\$ 6,074,126	\$ 7,833,126	\$ 1,759,000

Governmental Funds  
Schedule of Expenditures - Budget and Actual  
Year Ended June 30, 2002

<u>Fund, Function, Activity and Elements</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
GENERAL FUND:			
Legislation department:			
Salary--mayor	\$ 4,800	\$ 4,800	\$ 0
Salaries--council	16,800	16,800	0
Salary recorder	27,758	29,141	(1,383)
Salaries--extra help	2,000	3,023	(1,023)
Fringe benefits	16,726	17,376	(650)
Electoral board	4,950	5,782	(832)
Professional services	2,500	23,329	(20,829)
Maintenance contracts	930	1,019	(89)
Printing	6,615	7,641	(1,026)
Advertising	1,200	3,913	(2,713)
Microfilm records	2,000	800	1,200
Postage	2,600	2,030	570
Communication	800	615	185
Surety Bond	30	20	10
Public officials liability insurance	550	498	52
General liability insurance	20	28	(8)
Lease of equipment	1,152	1,152	0
Office supplies	1,750	1,842	(92)
Travel	7,700	5,457	2,243
Public relations	500	774	(274)
Training	600	446	154
Membership and dues	135	95	40
Furniture and fixtures	150	96	54
Total legislative department	\$ 102,266	\$ 126,677	\$ (24,411)
Executive department:			
Salaries--town manager	\$ 79,242	\$ 93,094	\$ (13,852)
Salaries--secretary	27,758	29,141	(1,383)
Salaries--extra help	2,000	6,038	(4,038)
Fringe benefits	41,499	34,639	6,860
Maintenance service contracts	1,380	950	430
Printing	100	296	(196)
Postage	400	124	276
Communication	900	762	138
Surety bond	100	68	32
Public officials liability insurance	400	362	38
General liability insurance	30	41	(11)
Lease of equipment and buildings	1,152	3,545	(2,393)
Office supplies	500	323	177
Subscriptions	1,000	754	246
Travel	3,600	3,547	53

Governmental Funds  
Schedule of Expenditures - Budget and Actual  
Year Ended June 30, 2002 (continued)

<u>Fund, Function, Activity and Elements</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor.)</u>
GENERAL FUND: (Continued)			
General Government Administration: (continued)			
Executive department: (continued)			
Training	\$ 600	\$ 67	\$ 533
Memberships and dues	1,514	824	690
Furniture and fixtures	500	94	406
Total executive department	\$ 162,675	\$ 174,669	\$ (11,994)
Legal services:			
Salary--attorney	\$ 2,400	\$ 2,400	\$ 0
Fringe benefits	190	184	6
Professional services	100,000	105,774	(5,774)
General liability insurance	100	138	(38)
Subscriptions	200	0	200
Travel	450	325	125
Memberships and dues	250	250	0
Total legal services	\$ 103,590	\$ 109,071	\$ (5,481)
Finance Department:			
Salaries--finance director	\$ 68,258	\$ 71,671	\$ (3,413)
Salaries--deputy finance director	47,087	47,042	45
Salaries--account clerks	73,544	72,190	1,354
Wages and Extra help	6,000	9,754	(3,754)
Fringe benefits	66,413	65,412	1,001
Professional services	1,000	235	765
Independent auditors	12,500	12,600	(100)
Repairs and maintenance--contractual	500	1,280	(780)
Printing	9,300	7,494	1,806
Advertising	2,400	1,696	704
Recording costs	750	565	185
Postage	7,300	9,055	(1,755)
Communication	4,000	2,524	1,476
Surety bond	1,260	1,412	(152)
Public Officials liability insurance	840	760	80
General liability insurance	60	83	(23)
Office supplies	5,000	2,871	2,129
Service charges	2,500	686	1,814
Subscriptions	2,000	1,458	542
Motor vehicle licenses	1,300	1,266	34
Travel	1,100	469	631
Training	1,400	238	1,162
Memberships and dues	600	1,319	(719)
Furniture and fixtures	750	2,040	(1,290)
Total finance department	\$ 315,862	\$ 314,120	\$ 1,742

**Town of Warrenton, Virginia**

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**Governmental Funds  
Schedule of Expenditures - Budget and Actual  
Year Ended June 30, 2002 (continued)**

<b>Fund, Function, Activity and Elements</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavor.)</b>
GENERAL FUND: (Continued)			
General Government Administration: (continued)			
Memberships and Dues:			
Virginia Municipal league	\$ 2,806	\$ 3,197	\$ (391)
VA Institute of Government	500	500	0
VA Innovation Group	750	750	0
Total memberships and dues	\$ 4,056	\$ 4,447	\$ (391)
Data Processing Department:			
Wages and Extra help	\$ 5,000	\$ 1,578	\$ 3,422
Fringe benefits	382	161	221
Professional services	51,242	54,526	(3,284)
Contractual repair	1,200	0	1,200
Maintenance contracts	8,580	15,074	(6,494)
Communication	3,840	3,905	(65)
Travel	400	70	330
Training	4,000	1,665	2,335
Office supplies	1,400	1,413	(13)
Subscriptions	800	1,146	(346)
Data processing equipment	22,812	22,810	2
Total data processing department	\$ 99,656	\$ 102,348	\$ (2,692)
Total general government administration	\$ 788,105	\$ 831,332	\$ (43,227)
Public Safety:			
Department of Police:			
Salary--chief of police	\$ 67,854	\$ 67,847	\$ 7
Salary--lieutenant	51,612	51,471	141
Salary--secretary	71,323	74,171	(2,848)
Salaries--sergeants	266,775	264,447	2,328
Salaries--patrolmen	372,602	326,204	46,398
Officer comp time	20,000	35,360	(15,360)
Salary--investigators	144,888	143,619	1,269
Salary--community resource officer	55,540	55,016	524
Wages and extra help	39,400	30,259	9,141
Fringe benefits	355,353	319,873	35,480
Professional services	4,200	3,093	1,107
Repairs and maintenance--contractual	13,150	3,591	9,559
Maintenance service contracts	6,021	5,994	27
Printing	3,350	1,688	1,662
Advertising	800	1,498	(698)
Board and care of prisoners	1,500	2,040	(540)
Vehicle expenses	60,000	69,393	(9,393)
Lease of equipment	1,761	3,139	(1,378)
Postage	1,680	1,289	391
Communication	11,000	12,326	(1,326)
Surety bond	600	408	192
Professional liability insurance	6,500	5,882	618
Office supplies	3,650	4,250	(600)
Police supplies	8,345	5,934	2,411
Wearing apparel	8,160	7,774	386
Subscriptions	500	258	242

**Governmental Funds  
Schedule of Expenditures - Budget and Actual  
Year Ended June 30, 2002 (continued)**

<b>Fund, Function, Activity and Elements</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavor.)</b>
GENERAL FUND: (Continued)			
Public Safety: (Continued)			
Department of Police: (continued)			
Narcotics Fund	\$ 2,000	\$ 2,000	\$ 0
Materials and supplies	4,915	4,687	228
Travel	3,200	2,292	908
Training	12,400	8,535	3,865
Memberships and dues	1,100	465	635
Furniture and fixtures	20,626	22,068	(1,442)
E-911 System Contribution	16,258	13,316	2,942
Data processing equipment	800	212	588
Grant expenditures	19,000	10,065	8,935
Total department of police	\$ 1,656,863	\$ 1,560,464	\$ 96,399
Fire and Rescue Services:			
Salary--fireman	\$ 32,066	\$ 32,677	\$ (611)
Salary--fire marshall	7,000	7,931	(931)
Fringe benefits	7,983	8,334	(351)
Highland proffers	13,440	0	13,440
Contribution fire department	14,000	14,000	0
Fire program	7,000	8,832	(1,832)
General liability insurance	10	14	(4)
Wearing apparel	1,000	967	33
Contribution - rescue squad	22,000	22,000	0
Travel	850	1,203	(353)
Memberships and dues	100	155	(55)
Communication equipment	5,000	3,894	1,106
Total fire and rescue services	\$ 110,449	\$ 100,007	\$ 10,442
Bureau of building inspections:			
Salaries--building inspectors	\$ 109,933	\$ 110,741	\$ (808)
Wages and extra help	3,000	12,331	(9,331)
Fringe benefits	39,536	37,981	1,555
Maintenance contracts	300	702	(402)
Printing	300	656	(356)
Uniform rental	325	403	(78)
Vehicle expenses	4,000	12,429	(8,429)
Lease of equipment	400	194	206
Postage	300	61	239
Communication	1,000	1,271	(271)
General liability insurance	25	35	(10)
Office supplies	525	121	404
Wearing apparel	300	112	188
Subscriptions	1,200	18	1,182

**Town of Warrenton, Virginia**

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**Governmental Funds  
Schedule of Expenditures - Budget and Actual  
Year Ended June 30, 2002 (continued)**

<b>Fund, Function, Activity and Elements</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavor.)</b>
GENERAL FUND: (Continued)			
Public Safety: (Continued)			
Bureau of building inspections: (continued)			
Materials and supplies	\$ 400	\$ 178	\$ 222
Tools	450	52	398
Travel	890	409	481
Training	1,000	901	99
Memberships and dues	400	145	255
Furniture and fixtures	500	0	500
Engineering equipment	200	0	200
Total bureau of building inspections	\$ 164,984	\$ 178,740	\$ (13,756)
Total public safety	\$ 1,932,296	\$ 1,839,211	\$ 93,085
Public works administration:			
Salary-public works director	\$ 40,771	\$ 40,762	\$ 9
Salary-public works superintendent	60,074	59,771	303
Salary-secretary	57,573	45,916	11,657
Salary--project engineer	24,151	24,172	(21)
Wages and extra help	1,500	7,129	(5,629)
Fringe benefits	59,497	55,136	4,361
Professional services	8,440	13,618	(5,178)
Contractual repairs	200	241	(41)
Maintenance contracts	2,981	3,232	(251)
Printing	250	100	150
Advertising	1,000	4,515	(3,515)
Vehicle expenses	1,500	160	1,340
Postage	1,000	322	678
Communication	2,124	2,072	52
Surety bond	50	34	16
General liability insurance	60	83	(23)
Lease of equipment	404	321	83
Office supplies	1,500	2,146	(646)
Engineering supplies	400	520	(120)
Subscriptions	400	203	197
Travel	600	188	412
Training	1,200	730	470
Memberships and dues	350	630	(280)
Furniture and fixtures	250	342	(92)
Total public works administration	\$ 266,275	\$ 262,343	\$ 3,932
Bureau of street maintenance:			
Wages and other help	\$ 252,809	\$ 225,704	\$ 27,105
Fringe benefits	159,095	135,646	23,449

Governmental Funds  
Schedule of Expenditures - Budget and Actual  
Year Ended June 30, 2002 (continued)

Fund, Function, Activity and Elements	Budget	Actual	Variance Favorable (Unfavor.)
GENERAL FUND: (Continued)			
Public works administration: (Continued)			
Bureau of street maintenance: (continued)			
Uniform rental	\$ 2,730	\$ 2,770	\$ (40)
Vehicle/equipment expenses	9,400	41,051	(31,651)
Lease of equipment	5,500	455	5,045
Electric current	33,500	37,254	(3,754)
Wearing apparel	2,500	937	1,563
Materials and supplies	3,000	4,281	(1,281)
Chemical supplies	500	9,195	(8,695)
Food	200	190	10
Small tools	900	956	(56)
Travel	500	4	496
Training	500	63	437
Replace trash receptacles	1,000	0	1,000
Equipment	0	130,891	(130,891)
Driveway culverts	700	0	700
Total bureau of street maintenance	\$ 472,834	\$ 589,397	\$ (116,563)
Arterial Street Maintenance:			
Wages and extra help	\$ 66,000	\$ 47,603	\$ 18,397
Fringe benefits	5,049	3,553	1,496
Contractual services	7,000	7,551	(551)
Payments on contracts	12,100	41,200	(29,100)
Vehicle/equipment expenses	93,000	55,217	37,783
Electric current	36,000	40,186	(4,186)
Lease of equipment	600	0	600
Repair parts--signal equipment	800	2,915	(2,115)
Materials and supplies	15,000	7,420	7,580
Chemical supplies	16,825	3,072	13,753
Food	200	30	170
Replace street name signs	600	358	242
Replace traffic signs	1,200	3,656	(2,456)
Sidewalk, curb and gutter	10,300	12,571	(2,271)
Street improvements and paving	236,871	231,794	5,077
Total arterial street maintenance	\$ 501,545	\$ 457,126	\$ 44,419
Collector Street Maintenance:			
Wages and extra help	\$ 55,000	\$ 45,014	\$ 9,986
Fringe benefits	4,207	3,307	900
Payments on contracts	9,000	5,905	3,095



## Governmental Funds

## Schedule of Expenditures - Budget and Actual

Year Ended June 30, 2002 (continued)

Fund, Function, Activity and Elements	Budget	Actual	Variance Favorable (Unfavor.)
GENERAL FUND: (Continued)			
Public works administration: (Continued)			
Collector street maintenance: (continued)			
Vehicle/equipment expenses	\$ 93,000	\$ 57,158	\$ 35,842
Materials and supplies	17,000	8,350	8,650
Chemical supplies	9,980	2,450	7,530
Lease of equipment	500	0	500
Food	400	0	400
Replace street name signs	400	962	(562)
Replace traffic signs	1,500	1,743	(243)
Sidewalk, curb and gutter	14,480	23,819	(9,339)
Street improvements and paving	76,540	60,650	15,890
Total collector street maintenance	\$ 282,007	\$ 209,358	\$ 72,649
Bureau of Refuse Collection:			
Wages and extra help	\$ 164,224	\$ 193,992	\$ (29,768)
Fringe benefits	76,165	62,341	13,824
Uniform rental	1,092	1,099	(7)
Share landfill operation	121,000	34,813	86,187
Vehicle/equipment expenses	27,000	36,013	(9,013)
General liability insurance	375	463	(88)
Purchase of plastic bags	17,330	16,484	846
Wearing apparel	624	107	517
Materials and supplies	600	1,291	(691)
Total bureau of refuse collection	\$ 408,410	\$ 346,603	\$ 61,807
Recycling Program:			
Wages & extra help	\$ 41,806	\$ 37,266	\$ 4,540
Fringe benefits	3,198	2,838	360
Printing	100	0	100
Advertising	250	0	250
Payments on contracts	33,000	30,289	2,711
Vehicle expense	5,000	9,806	(4,806)
Purchase of plastic bags	12,000	0	12,000
General liability insurance	30	41	(11)
Materials and supplies	800	136	664
Total recycling program	\$ 96,184	\$ 80,376	\$ 15,808
Maintenance, Buildings and Grounds:			
Wages and extra help	\$ 22,093	\$ 25,685	\$ (3,592)
Fringe benefits	11,660	10,476	1,184
Contractual repairs and maintenance	11,000	8,606	2,394
Maintenance contracts	9,309	6,527	2,782
Janitorial service	19,000	19,710	(710)

**Governmental Funds**  
**Schedule of Expenditures - Budget and Actual**  
**Year Ended June 30, 2002 (continued)**

<b>Fund, Function, Activity and Elements</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavor.)</b>
GENERAL FUND: (Continued)			
Public works administration: (Continued)			
Maintenance, Buildings and Grounds: (continued)			
Permit fee	\$ 0	\$ 406	\$ (406)
Uniform rental	182	190	(8)
Vehicle/equipment expenses	3,000	2,227	773
Lease of equipment	9,373	13,011	(3,638)
Lease of buildings	82,570	72,528	10,042
Electric current	25,000	23,085	1,915
Fuel	9,500	9,553	(53)
Communication	6,000	3,393	2,607
Fire insurance	1,750	2,412	(662)
General liability insurance	50	69	(19)
Repairs, buildings and grounds	1,800	1,967	(167)
Repairs, parking lots	2,000	0	2,000
Wearing apparel	104	60	44
Materials and supplies	6,700	4,133	2,567
Training	100	65	35
Furniture and fixtures	1,000	2,256	(1,256)
Landscaping-parking lot E	1,000	0	1,000
Total maintenance, buildings and grounds	\$ 223,191	\$ 206,359	\$ 16,832
Total public works	\$ 2,250,446	\$ 2,151,562	\$ 98,884
Health and Welfare:			
Welfare/Social Services:			
Fauquier Housing	\$ 10,000	\$ 10,000	\$ 0
Fauquier Community Action	7,500	7,500	0
Fauquier Family Shelter Services	6,700	6,700	0
Fauquier Community Child Care	4,500	4,500	0
Fauquier Free Clinic	10,000	10,000	0
Piedmont Dispute Resolution Center	1,000	1,000	0
Contribution-Loudoun Bus Center	87,500	7,500	80,000
Total welfare/social services contributions	\$ 127,200	\$ 47,200	\$ 80,000
Parks and Recreation and Cultural:			
Maintenance, parks:			
Wages and extra help	\$ 62,880	\$ 67,805	\$ (4,925)
Fringe benefits	19,748	15,211	4,537
Rady Park maintenance	300	0	300
Uniform rental	572	508	64
Payments on contracts	3,500	1,435	2,065
Vehicle expenses	2,500	3,653	(1,153)
Electric current	1,620	1,381	239
Fuel	900	529	371
Insurance	72	82	(10)
Lease of equipment	1,500	1,560	(60)
Repairs-building and grounds	550	3,891	(3,341)
Materials and supplies	1,800	552	1,248
Equipment	600	1,054	(454)
Total maintenance, parks	\$ 96,542	\$ 97,661	\$ (1,119)

**Governmental Funds  
Schedule of Expenditures - Budget and Actual  
Year Ended June 30, 2002 (continued)**

<b>Fund, Function, Activity and Elements</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavor.)</b>
GENERAL FUND: (Continued)			
Contributions: (Continued)			
Parks and recreation:			
Bluemont Concert Series	\$ 10,000	\$ 10,000	\$ 0
First Night	3,000	3,000	0
Other	0	1,000	(1,000)
Boys and Girls Club	12,000	12,000	0
Parks and recreation	<u>10,750</u>	<u>8,803</u>	<u>1,947</u>
Total parks and recreation contributions	\$ <u>35,750</u>	\$ <u>34,803</u>	\$ <u>947</u>
Cultural enrichment:			
Fauquier Historical	\$ 10,000	\$ 10,000	\$ 0
Veterans Memorial	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Total cultural enrichment	\$ <u>12,000</u>	\$ <u>12,000</u>	\$ <u>0</u>
Total parks and recreation and cultural	\$ <u>144,292</u>	\$ <u>144,464</u>	\$ <u>(172)</u>
Planning and Community Development:			
Planning and Zoning Department:			
Salaries--commission members	\$ 6,300	\$ 6,225	\$ 75
Salaries--town planner	70,420	68,122	2,298
Salary--community development assistant	15,776	8,514	7,262
Salary--secretary	23,761	23,755	6
Salary--zoning inspector	22,744	22,771	(27)
Wages and extra help	12,000	7,873	4,127
Fringe benefits	49,540	43,067	6,473
Professional services	25,000	21,053	3,947
Contractual repairs and maintenance	500	89	411
Maintenance contracts	250	251	(1)
Printing	1,000	649	351
Advertising	3,000	5,237	(2,237)
Microfilm records	1,000	0	1,000
Postage	1,100	570	530
Communication	2,100	1,368	732
Surety bonds	100	68	32
General liability insurance	35	35	0
Office supplies	2,100	2,388	(288)
Subscriptions	1,000	885	115
Travel	900	606	294
Training	1,400	582	818
Contribution--planning district	3,956	3,955	1
Memberships and dues	1,100	750	350
Furniture and fixtures	<u>500</u>	<u>914</u>	<u>(414)</u>
Total planning and zoning department	\$ <u>245,582</u>	\$ <u>219,727</u>	\$ <u>25,855</u>
Zoning Appeals Board:			
Advertising	\$ 500	\$ 219	\$ 281
Postage	150	0	150

**Governmental Funds  
Schedule of Expenditures - Budget and Actual  
Year Ended June 30, 2002 (continued)**

<b>Fund, Function, Activity and Elements</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavor.)</b>
GENERAL FUND: (Continued)			
Planning and Community Development: (Continued)			
Zoning Appeals Board: (continued)			
Travel	\$ 219	\$ 0	\$ 219
Training	750	0	750
Temporary services	700	98	602
Total Zoning Appeals Board	\$ 2,319	\$ 317	\$ 2,002
Architectural Review Board:			
Printing	\$ 215	\$ 93	\$ 122
Advertising	100	82	18
Postage	65	88	(23)
Office supplies	80	0	80
Travel	850	0	850
Training	835	0	835
Temporary services	0	578	(578)
Memberships and dues	105	0	105
Total Architectural Review Board	\$ 2,250	\$ 841	\$ 1,409
Economic Development Department:			
Salary--economic development director	\$ 56,729	\$ 57,077	\$ (348)
Salary--community development assistant	15,776	10,284	5,492
Wages and extra help	4,800	3,090	1,710
Fringe benefits	20,214	18,013	2,201
Professional services	5,000	11,190	(6,190)
Printing	10,000	4,288	5,712
Advertising	12,000	16,215	(4,215)
Postage	2,500	4,555	(2,055)
Communication	1,000	650	350
Surety bond	40	27	13
General liability insurance	20	20	0
Office supplies	500	1,019	(519)
Subscriptions	500	909	(409)
Miscellaneous supplies	2,200	2,970	(770)
Travel	2,200	140	2,060
Training	1,000	340	660
Bike Virginia	0	1,292	(1,292)
Memberships and dues	1,500	1,150	350
Contribution Lord Fairfax Small Business	5,000	5,000	0
Contribution- Visitor Center	53,000	53,000	0
Contribution - Partnership	24,000	24,000	0
Furniture and fixtures	250	0	250
Total economic development department	\$ 218,229	\$ 215,229	\$ 3,000
Total community development	\$ 468,380	\$ 436,114	\$ 32,266

**Town of Warrenton, Virginia**

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**Governmental Funds  
Schedule of Expenditures - Budget and Actual  
Year Ended June 30, 2002 (continued)**

<b>Fund, Function, Activity and Elements</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavor.)</b>
GENERAL FUND: (Continued)			
Capital outlays:			
Light installation	\$ 5,662	\$ 5,662	\$ 0
Baptist church parking lot	80,089	95,062	(14,973)
Recreational facility design	2,850	2,850	0
Eva Walker Park	19,250	21,277	(2,027)
Waterloo Road drainage	77,524	77,523	1
Wherehouse improvements	1,500	1,874	(374)
Moser/Church Street drainage	6,967	6,967	0
Shirley Ave/Garrett sidewalk/drainage	13,503	13,503	0
Visitor Center	0	15,573	(15,573)
Main Street sidewalk repair	198,358	197,748	610
Falmouth Street drainage	27,278	27,277	1
Madison Street sidewalk/drainage	3,000	3,000	0
Blackwell Road/Lee Highway intersection	212,356	185,402	26,954
Blackwell Road sidewalk/drainage	115,249	115,235	14
Alexandria Pike sidewalk/drainage	62,870	54,500	8,370
Landscaping Broadview Avenue	0	26,434	(26,434)
Public safety facility	1,216,140	1,215,168	972
Academy Hill	0	36,053	(36,053)
Mosby House	0	25,919	(25,919)
Total capital outlays	\$ 2,042,596	\$ 2,127,027	\$ (84,431)
Debt service:			
Principal	\$ 59,788	\$ 59,864	\$ (76)
Interest and fiscal charges	6,103	6,055	48
Total debt service	\$ 65,891	\$ 65,919	\$ (28)
Total General Fund	\$ 7,819,206	\$ 7,642,829	\$ 176,377

## Water and Sewer Fund

## Schedule of Revenues, Expenses and Changes in Retained Earnings

Year Ended June 30, 2002

	Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:			
Sale of services, commodities and properties:			
Sewer service charges	\$ 1,870,000	\$ 1,951,790	81,790
Sale of water	1,122,000	1,218,689	96,689
Sale of materials and supplies	9,000	45,151	36,151
Late payment charges	29,000	28,031	(969)
Installation fees	10,000	25,767	15,767
Transfer fees	7,700	10,400	2,700
Reconnection fees	2,500	5,960	3,460
Total sale of services, commodities and properties	\$ 3,050,200	\$ 3,285,788	235,588
Miscellaneous revenue:			
Recoveries and rebates	\$ 3,000	\$ 14,961	11,961
Miscellaneous receipts	28,250	5,829	(22,421)
Total miscellaneous revenue	\$ 31,250	\$ 20,790	(10,460)
Total operating revenue	\$ 3,081,450	\$ 3,306,578	225,128
Operating expenses:			
Source of supply:			
Salary of superintendent	\$ 33,430	\$ 34,767	(1,337)
Salaries of plant operators	142,770	142,961	(191)
Wages and extra help	32,000	45,867	(13,867)
Fringe benefits	67,752	69,858	(2,106)
Repairs and maintenance--contractual	56,000	42,365	13,635
Maintenance service contracts	27,295	27,282	13
Advertising	250	34	216
Uniform rental	728	905	(177)
Payments on contracts	5,920	1,800	4,120
Permit fees	6,640	5,927	713
Vehicle expenses	1,750	4,729	(2,979)
Lease of equipment	880	682	198
Electric current	69,000	64,012	4,988
Postage	0	249	(249)
Communication	1,690	1,541	149
Fire insurance	3,400	3,732	(332)
General liability insurance	4,500	6,214	(1,714)
Laboratory supplies	4,785	4,110	675
Repairs--buildings and grounds	2,600	3,263	(663)
Gasoline, grease & oil	200	70	130
Repair parts--plant and equipment	7,600	9,374	(1,774)
Wearing apparel	500	3,343	(2,843)
Materials and supplies	2,455	1,434	1,021
Chemical supplies	38,098	50,529	(12,431)

**Water and Sewer Fund**  
**Schedule of Revenues, Expenses and Changes in Retained Earnings**  
**Year Ended June 30, 2002 (Continued)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Source of supply: (continued)			
Small tools	\$ 500	\$ 453	47
Travel	800	252	548
Training	550	1,803	(1,253)
Memberships and dues	150	68	82
Total source of supply	\$ 512,243	\$ 527,624	(15,381)
Transmission and distribution:			
Salary of water and sewer superintendent	\$ 48,194	\$ 56,331	(8,137)
Wages and extra help	145,267	151,709	(6,442)
Fringe benefits	85,258	75,562	9,696
Repairs and maintenance--contractual	6,400	2,634	3,766
Maintenance service contracts	1,100	2,459	(1,359)
Advertising	300	685	(385)
Uniform rental	1,274	1,234	40
Payments on contracts	4,950	6,671	(1,721)
Vehicle expenses	20,000	25,277	(5,277)
Postage	0	221	(221)
Lease of equipment	1,565	2,400	(835)
Communication	4,620	6,737	(2,117)
General liability insurance	5,700	7,871	(2,171)
Wearing apparel	1,175	924	251
Memberships and dues	0	85	(85)
Materials and supplies	22,820	7,701	15,119
Small tools	900	612	288
Travel	250	50	200
Training	600	130	470
Total transmission and distribution	\$ 350,373	\$ 349,293	1,080
Meter reading:			
Wages and extra help	\$ 92,009	\$ 86,618	5,391
Fringe benefits	31,049	31,038	11
Repairs and maintenance--contractual	1,500	468	1,032
Maintenance service contracts	3,891	3,945	(54)
Printing	0	345	(345)
Advertising	200	0	200
Uniform rental	546	635	(89)
Vehicle expenses	6,000	9,578	(3,578)
Lease of equipment	548	585	(37)
Postage	100	111	(11)
Communication	984	869	115
General liability insurance	3,000	4,143	(1,143)
Office supplies	260	376	(116)
Wearing apparel	550	218	332
Meters and supplies	47,250	83,190	(35,940)
Materials and supplies	3,000	3,305	(305)
Tools	300	181	119
Travel	360	65	295

**Water and Sewer Fund**  
**Schedule of Revenues, Expenses and Changes in Retained Earnings**  
**Year Ended June 30, 2002 (Continued)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Meter reading: (continued)			
Training	\$ 1,200	\$ 234	966
Memberships and dues	50	25	25
Total meter reading	<u>\$ 192,797</u>	<u>\$ 225,929</u>	<u>(33,132)</u>
Wastewater Treatment Operation:			
Salary of superintendent	\$ 33,430	\$ 34,767	(1,337)
Salary of plant operators	225,069	225,303	(234)
Salary of plant maintenance mechanic	75,508	75,151	357
Wages and extra help	40,000	25,303	14,697
Fringe benefits	121,862	118,285	3,577
Professional services	22,513	16,375	6,138
Repairs and maintenance--contractual	50,500	45,143	5,357
Maintenance contracts	3,256	2,126	1,130
Advertising	400	818	(418)
Uniform rental	360	564	(204)
Payments on contracts	30,540	29,817	723
Laboratory testing services	8,000	5,759	2,241
Pretreatment testing	4,000	0	4,000
Permit fees	3,550	3,550	0
Vehicle expenses	5,000	12,326	(7,326)
Lease of equipment	1,720	983	737
Electric current	88,000	96,320	(8,320)
Fuel	10,000	20,779	(10,779)
Communications	3,400	2,594	806
Fire insurance	6,000	6,586	(586)
General liability insurance	9,000	12,429	(3,429)
Postage	0	78	(78)
Laboratory supplies	4,430	5,361	(931)
Repairs--buildings and grounds	2,200	1,641	559
Gasoline, grease and oil	4,500	2,738	1,762
Repair parts--equipment	15,000	22,573	(7,573)
Wearing apparel	1,200	897	303
Materials and supplies	4,000	4,043	(43)
Chemical supplies	115,317	126,088	(10,771)
Tools	1,189	1,086	103
Travel	1,200	749	451
Training	1,000	364	636
Memberships and dues	925	292	633
Total wastewater treatment operation	<u>\$ 893,069</u>	<u>\$ 900,888</u>	<u>(7,819)</u>



## Water and Sewer Fund

Schedule of Revenues, Expenses and Changes in Retained Earnings  
Year Ended June 30, 2002 (Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Public utilities administration:			
Salary of Town manager	\$ 19,811	\$ 20,541	(730)
Salary of utilities director	40,771	40,762	9
Salary of secretary	27,481	28,613	(1,132)
Salary of account clerks	72,727	71,638	1,089
Public utilities technician	51,722	50,378	1,344
Salary of project engineer	16,101	16,063	38
Salary of finance director	17,064	17,064	0
Salary deputy finance director	20,180	20,140	40
Wages and extra help	5,000	9,198	(4,198)
Fringe benefits	91,493	73,357	18,136
Professional services	47,552	56,854	(9,302)
Professional services -- legal fees	5,000	9,619	(4,619)
Professional services -- recording costs	250	51	199
Repairs and maintenance--contractual	800	474	326
Maintenance contracts	6,125	8,657	(2,532)
Printing	3,500	3,230	270
Advertising	500	16	484
Lease of equipment	3,809	820	2,989
Postage	11,400	12,108	(708)
Communication	5,815	6,005	(190)
Surety bond	690	895	(205)
General liability insurance	4,000	5,524	(1,524)
Office supplies	4,500	4,883	(383)
Wearing Apparel	0	284	(284)
Service charges	750	7,965	(7,215)
Subscriptions	700	1,785	(1,085)
Travel	1,500	1,105	395
Training	4,700	1,654	3,046
Memberships and dues	600	1,093	(493)
Furniture and equipment	17,879	14,399	3,480
Total public utilities administration	\$ 482,420	\$ 485,175	(2,755)
Capital outlay:			
Machinery/equipment	\$ 80,828	\$ 18,644	62,184
Water plant improvements	60,100	430	59,670
Sewer plant improvements	10,841	0	10,841
Sewer line rehabilitation	233,457	0	233,457
Water line replacement	94,262	0	94,262
Industrial Park	208,982	0	208,982
Cedar Run pump station	20,000	0	20,000
Total capital outlay	\$ 708,470	\$ 19,074	689,396
Depreciation	\$ 0	\$ 830,081	(830,081)
Amortization of bond issue costs	0	8,856	(8,856)
Total operating expenses	\$ 3,139,372	\$ 3,346,920	(207,548)
Net operating income	\$ (57,922)	\$ (40,342)	17,580

**Water and Sewer Fund**  
**Schedule of Revenues, Expenses and Changes in Retained Earnings**  
**Year Ended June 30, 2002 (Continued)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Non-operating revenues (expenses):			
Interest revenue	\$ 90,000	\$ 134,230	44,230
Rental revenue	114,052	108,445	(5,607)
Water/sewer connection fees	632,532	2,103,475	1,470,943
Interest expense	(835,209)	(204,479)	630,730
Loss on disposal of fixed assets	0	(3,204)	(3,204)
Service charges	<u>(2,000)</u>	<u>(500)</u>	<u>1,500</u>
Net non-operating revenues (expenses)	\$ <u>(625)</u>	\$ <u>2,137,967</u>	<u>2,138,592</u>
Net income (loss) before operating transfers	\$ (58,547)	\$ 2,097,625	2,156,172
Operating transfers in	223,135	0	(223,135)
Operating transfers out	<u>(164,588)</u>	<u>0</u>	<u>164,588</u>
Net income (loss)	\$ 0	\$ 2,097,625	2,097,625
Add depreciation on fixed assets acquired by grants	<u>0</u>	<u>315,114</u>	<u>315,114</u>
Net income (loss)	\$ 0	\$ 2,412,739	2,412,739
Retained earnings, beginning of year	<u>(44,510)</u>	<u>6,992,872</u>	<u>7,037,382</u>
Retained earnings, end of year	\$ <u><u>(44,510)</u></u>	\$ <u><u>9,405,611</u></u>	<u><u>9,450,121</u></u>

**General Fund**  
**Schedule of Changes in Designated Fund Balance**  
**Year Ended June 30, 2002**

	Balances July 1, 2001	Transfers		Balances June 30, 2002
		In	Out	
Planning department printing	\$ 8,500	\$ 0	\$ 0	\$ 8,500
Data processing equipment	0	5,407	0	5,407
Business Directional Sign	0	3,100	0	3,100
Cemetery street improvement	0	5,000	0	5,000
Police department lease	0	18,996	0	18,996
Repairs municipal building	4,059	8,619	0	12,678
Parking lot improvements	66,446	0	57,965	8,481
Park site improvements	21,669	0	0	21,669
Driveway culvert Evans	0	5,400	0	5,400
Microfilm records	4,102	0	0	4,102
Storm sewers	190,200	0	0	190,200
Main Street sidewalk and street repair	273,585	0	174,137	99,448
Light installation	28,836	0	5,662	23,174
Landscaping Rt. 29 bypass	26,400	0	0	26,400
Business Park	707,642	138,929	0	846,571
Recreation	412,140	16,395	0	428,535
Highland Proffers	75,936	2,049	0	77,985
SWMM upgrade	15,000	0	0	15,000
Shirley Avenue improvements	111,032	0	0	111,032
Public Safety Facility	568,311	0	512,897	55,414
Recreational facility design	18,444	0	2,850	15,594
Winchester Street drainage	75,170	0	0	75,170
Aerial photography	3,500	0	0	3,500
Drainage Lee Highway	46,200	0	0	46,200
Haiti St. sidewalk	23,400	0	0	23,400
Madison St. sidewalk	0	104,030	0	104,030
Gay Road park design	0	15,000	0	15,000
Town office renovation	106,687	25,000	0	131,687
Wherehouse improvements	14,882	0	0	14,882
Professional services-data processing	0	25,485	0	25,485
Professional services-planning	1,425	0	0	1,425
Professional services-comprehensive plan	17,000	0	0	17,000
Van Roijan Street drainage	75,504	0	75,504	0
Moser/Church Street drainage	105,363	0	0	105,363
Alexandria Pike/King Street drainage	15,000	0	0	15,000
Totals	\$ 3,016,433	\$ 373,410	\$ 829,015	\$ 2,560,828

**Water and Sewer Fund**

**Schedule of Changes in Reserved Retained Earnings**

**Year Ended June 30, 2002**

	<b>Balances July 1 2001</b>	<b>Transfers</b>		<b>Balances June 30, 2002</b>
		<b>In</b>	<b>Out</b>	
Water plant improvements	\$ 106,063	\$ 395,022	\$ 0	\$ 501,085
Furniture and fixtures	2,615	0	0	2,615
Lift station upgrade	32,000	0	0	32,000
Lines and services	285,000	0	0	285,000
Sewer rehabilitation	235,783	47,173	0	282,956
Sewer Plant Improvements	53,052	537,036	0	590,088
Caustic feed system	0	51,834	0	51,834
Building modifications	12,000	0	0	12,000
Professional services-data processing	0	23,925	0	23,925
Data processing equipment	0	7,391	0	7,391
Culpeper Street water line	0	19,748	0	19,748
Tank maintenance contracts	0	14,517	0	14,517
Industrial Park sewage construction	245,017	0	208,982	36,035
Totals	\$ 971,530	\$ 1,096,646	\$ 208,982	\$ 1,859,194

Computation of Legal Debt Margin  
At June 30, 2002

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Total Assessed Value of Real Estate	\$	<u><u>591,875,900</u></u>
Legal Debt Margin:		59,187,590
Less: Existing Bonded Debt Subject to Limitation		<u>0</u>
Legal Margin for Creation of Additional Debt	\$	<u><u>59,187,590</u></u>

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## **STATISTICAL SECTION**





GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

Last Ten Fiscal Years

Fiscal Year	General Legislative & Policy Direction	General Administration	Counsel & Legal Advice	Financial Administration	Board of Elections and Memberships	Public Safety	Public Works	Health and Welfare	Parks and Recreation and Cultural	Boards and Com-missions	Non-Depart-mental	Debt Service & Capital Outlay Unallocated	Total
1992-93	\$ 66,355	\$ 138,143	\$ 90,974	\$ 230,891	\$ 2,061	\$ 1,524,283	\$ 1,637,932	\$ 0	\$ 0	\$ 186,386	\$ 89,915	\$ 624,026	\$ 4,590,966
1993-94	65,171	142,110	157,384	237,624	5,105	1,426,564	1,896,748	0	0	238,769	105,085	408,566	4,683,126
1994-95	67,602	142,727	141,084	296,676	2,620	1,504,475	1,977,049	0	0	396,326	0	755,997	5,284,556
1995-96	77,121	147,974	129,261	286,304	6,516	1,492,504	1,947,429	0	0	399,992	0	839,649	5,326,750
1996-97	78,103	153,835	130,823	328,702	2,982	1,535,401	1,919,503	0	0	410,541	0	661,488	5,221,378
1997-98	87,551	160,101	99,832	399,530	3,069	1,599,638	1,946,781	0	0	467,308	0	1,309,459	6,073,269
1998-99	102,602	150,440	162,416	337,139	3,423	1,711,155	1,944,714	0	0	512,011	0	1,469,562	6,393,462
1999-00	95,578	156,487	159,919	370,636	3,556	1,822,997	2,019,495	0	0	652,702	0	1,415,593	6,696,963
2000-01	95,574	160,666	128,508	400,467	3,686	1,938,025	1,988,867	0	0	648,885	0	532,835	5,897,513
2001-02	120,895	174,669	109,071	416,468	10,229	1,839,211	2,151,562	47,200	144,464	436,114	0	2,192,946	7,642,829

Note: (1) Includes General fund.

# *Town of Warrenton, Virginia*

Table 2

## Governmental Revenues by Source (1)

### Last Ten Fiscal Years

Fiscal Year	General Property Taxes	Other Local Taxes	Permits, Privilege Fees and Regulatory Licenses	Fines and Forfeitures	Revenue from use Money and Property & Charges for Services	From Other Agencies	Miscellaneous	Recovered Costs & Other Non-Revenue	Total
1992-93	\$ 1,428,552	\$ 2,367,484	\$ 63,204	\$ 37,980	\$ 44,930	\$ 585,576	\$ 13,803	\$ 27,074	\$ 4,568,603
1993-94	1,427,945	2,376,820	74,890	61,705	57,693	650,663	2,452	20,902	4,673,070
1994-95	1,468,480	2,708,602	126,713	68,120	123,795	1,014,010	165,598	33,429	5,708,747
1995-96	1,546,250	2,677,104	87,020	77,591	152,898	767,266	195,286	47,011	5,550,426
1996-97	2,058,698	3,480,602	91,864	87,144	236,841	1,191,895	223,144	57,234	7,427,422
1997-98	1,675,689	3,232,114	125,678	110,940	244,565	1,047,433	189,521	31,124	6,657,064
1998-99	1,643,425	3,482,397	109,343	106,942	302,289	1,169,012	36,698	23,527	6,873,633
1999-00	1,597,539	3,550,359	134,462	104,505	292,579	1,042,664	174,071	25,004	6,921,183
2000-01	1,211,312	4,191,058	214,220	73,808	458,405	1,276,329	942,784	24,285	8,392,201
2001-02	605,363	4,695,289	273,780	88,950	229,157	1,538,954	379,256	22,377	7,833,126

Note: (1) Includes General fund.

***Town of Warrenton, Virginia***

**Table 3**

**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCES (1)**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Utility Tax</b>	<b>Franchise Tax</b>	<b>Meals Tax</b>	<b>Transient Occupancy Tax</b>	<b>Business, Profess'I Occupat'I Licenses</b>	<b>Motor Vehicle Licenses</b>	<b>Motor Vehicle Rental Tax</b>	<b>Cigarette Tax</b>	<b>Total</b>
1992-93	\$ 1,428,552	\$ 111,561	\$ 535,840	\$ 136,865	\$ 702,635	\$ 72,356	\$ 549,893	\$ 83,752	\$ 3,166	\$ 171,416	\$ 3,796,036
1993-94	1,427,945	124,213	455,791	165,985	733,627	80,082	563,721	85,340	5,548	168,061	3,810,313
1994-95	1,468,480	136,840	551,251	266,227	784,715	84,718	559,798	88,084	8,375	236,969	4,185,457
1995-96	1,546,250	147,669	568,906	212,381	769,446	79,554	568,504	90,540	29,026	240,104	4,252,380
1996-97	2,058,698	175,642	608,324	400,043	815,876	92,106	1,070,772	97,406	25,358	220,433	5,564,658
1997-98	1,675,689	176,806	614,057	403,473	864,012	101,620	743,466	103,694	40,867	224,986	4,948,670
1998-99	1,643,425	206,139	641,291	436,984	952,222	99,342	802,613	110,116	39,295	233,690	5,165,117
1999-00	1,597,539	244,592	680,214	424,963	977,125	125,937	750,026	118,153	68,103	229,349	5,216,001
2000-01	1,211,312	275,335	912,010	529,008	1,082,000	121,620	923,169	129,051	66,588	218,865	5,468,958
2001-02	605,363	293,596	964,261	669,381	1,289,265	112,318	987,283	132,298	73,334	246,887	5,373,986

Note: (1) Includes General and Special Revenue funds.

***Town of Warrenton, Virginia*****Table 4****PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Total (1) Tax Levy</b>	<b>Current Tax (1) Collections</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections to Tax Levy</b>
1992-93	\$ 1,394,270	\$ 1,303,570	93.49%	\$ 79,732	\$ 1,383,302	99.21%
1993-94	1,443,208	1,347,778	93.39%	57,535	1,405,313	97.37%
1994-95	1,473,604	1,374,728	93.29%	61,637	1,436,365	97.47%
1995-96	1,533,164	1,432,519	93.44%	68,104	1,500,623	97.88%
1996-97	2,062,905	1,948,836	94.47%	70,628	2,019,464	97.89%
1997-98	1,618,551	1,560,250	96.40%	67,697	1,627,947	100.58%
1998-99	1,603,661	1,552,848	96.83%	50,932	1,603,780	100.01%
1999-00	1,553,140	1,494,425	96.22%	60,771	1,555,196	100.13%
2000-01	1,470,335	1,403,690	95.47%	45,866	1,449,556	98.59%
2001-02	1,142,382	1,005,886	88.05%	(162,484)		0.00%

Notes: (1) Exclusive of penalties and interest and includes Commonwealth of Virginia PPTRA reimbursement.

***Town of Warrenton, Virginia*****Table 5****ASSESSED AND ESTIMATED VALUATION OF ALL TAXABLE PROPERTY  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Real Estate (1)</b>	<b>Personal Property</b>	<b>Public Service Corp.</b>		<b>Total</b>	<b>Assessed vs. Fair Market Value</b>
			<b>Real (1)</b>	<b>Personal</b>		
1991-92	\$ 398,462,600	\$ 26,033,471	\$ 14,244,174	\$ 23,370	\$ 438,763,615	100%
1992-93	404,383,428	25,582,556	14,671,101	16,275	444,653,360	100%
1993-94	422,754,700	25,556,541	16,677,073	10,087	464,998,401	100%
1994-95	429,406,316	28,677,807	20,530,723	10,479	478,625,325	100%
1995-96	437,622,062	29,140,469	18,722,797	8,965	485,494,293	100%
1996-97	674,730,150	37,804,216	17,686,167	7,122	730,227,655	100%
1997-98	469,124,500	37,886,291	18,688,957	11,734	525,711,482	100%
1998-99	474,819,450	42,111,093	19,905,293	11,734	536,847,570	100%
1999-00	488,175,500	43,931,350	21,121,628	17,351	553,245,829	100%
2000-01	502,120,502	50,952,693	21,730,034	0	574,803,229	100%

(1) 1997 was the first year the Town utilized semi-annual real estate billings.

***Town of Warrenton, Virginia***

**Table 6**

**Property Tax Rates (1)  
Last Ten Fiscal Years**

Fiscal Year	County of Fauquier Real Estate	Town Real Estate	County of Fauquier PP & MT	Town Personal Property & Machinery and Tools	Town Public Service Corp.	
					Real	Personal
1991-92	\$ 0.88	\$ 0.18	\$ 4.00	\$ 2.50	\$ 0.18	\$ 2.50
1992-93	0.93	0.18	4.20	2.50	0.18	2.50
1993-94	0.93	0.18	4.20	2.50	0.18	2.50
1994-95	1.03	0.18	4.90	2.50	0.18	2.50
1995-96	1.03	0.18	4.90	2.50	0.18	2.50
1996-97	1.03	0.18	4.90	2.40	0.18	2.40
1997-98	1.06	0.18	4.65	2.25	0.18	2.25
1998-99	1.06	0.14	4.65	2.25	0.14	2.25
1999-00	1.06	0.115	4.65	2.25	0.115	2.25
2000-01	1.06	0.115/.05	4.65	2.25	0.115/.05	2.25

Notes: (1) Rates are based on \$100 per assessed value.

**Town of Warrenton, Virginia****Table 7****Ratio of Net General Bonded Debt  
To Assessed Value and Net Bonded Debt Per Capita  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Assessed Value</b>	<b>Gross and Net Bonded Debt (2)</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt per Capita</b>
1992-93	4,882	\$ 444,653,360	\$ 0	0.0000	\$ 0
1993-94	5,117	464,998,401	0	0.0000	0
1994-95	5,117	478,625,325	0	0.0000	0
1995-96	5,117	485,494,293	0	0.0000	0
1996-97	5,716	730,227,655	0	0.0000	0
1997-98	6,035	525,711,482	0	0.0000	0
1998-99	6,339	536,847,570	0	0.0000	0
1999-00	6,634	553,245,829	0	0.0000	0
2000-01	6,670	574,803,229	0	0.0000	0
2001-02	7,517	672,059,620	0	0.0000	0

Notes: (1) Town of Warrenton Planning Department

(2) Includes all long-term general obligation debt

***Town of Warrenton, Virginia*****Table 8****Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt  
To Total General Governmental Expenditures  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Principal (1,2)</b>	<b>Interest (1,2)</b>	<b>Total Debt Service</b>	<b>Total General Gov't. Expend.(3)</b>	<b>Ratio of Debt Service to General Gov't. Expend.</b>
1991-92	\$ 41,775	\$ 7,028	\$ 48,803	\$ 4,354,877	1.1%
1992-93	45,233	3,570	48,803	4,578,073	1.1%
1993-94	19,934	400	20,334	4,683,126	0.4%
1994-95	31,210	2,283	33,493	5,284,556	0.6%
1995-96	71,868	11,516	83,384	5,326,750	1.6%
1996-97	74,651	8,733	83,384	5,221,378	1.6%
1997-98	41,171	4,656	45,827	6,073,269	0.8%
1998-99	39,256	1,475	40,731	6,393,462	0.6%
1999-00	23,719	1,032	24,751	6,696,963	0.4%
2000-01	48,159	7,804	55,963	5,897,513	0.9%

(1) General obligation bonds reported in the enterprise funds have been excluded. Lease purchase agreements have been included.

(2) Excludes bond issuance and other costs.

(3) Includes general and special revenue funds.



***Town of Warrenton, Virginia***

**Table 9**

**Revenue Bond Coverage - Water and Sewer Bonds  
Last Ten Fiscal Years**

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1992-93	\$ 2,532,537	\$ 1,713,302	\$ 819,235	\$ 369,452	\$ 370,141	\$ 739,593	1.11
1993-94	2,668,431	2,256,227	412,204	470,777	404,676	875,453	0.47
1994-95	2,752,739	1,815,800	936,939	445,000	498,500	943,500	0.99
1995-96	2,774,206	1,801,247	972,959	472,732	375,385	848,117	1.15
1996-97	2,858,907	1,883,751	975,156	483,505	348,826	832,331	1.17
1997-98	2,944,537	1,811,984	1,132,553	535,000	314,116	849,116	1.33
1998-99	2,966,545	2,046,230	920,315	540,000	284,100	824,100	1.12
1999-00	3,051,693	2,137,227	914,466	550,000	259,530	809,530	1.13
2000-01	3,124,992	2,310,892	814,100	555,000	230,695	785,695	1.04
2001-02	3,303,374	2,507,983	795,391	610,000	204,479	814,479	0.98

(1) Includes all operating revenues.

(2) Includes all operating expenses except depreciation and amortization.

**Computation of Direct and Overlapping Bonded Debt  
At June 30, 2001**

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Direct:				
Town of Warrenton (1)	\$	133,099	100.00%	\$ 133,099
Overlapping:				
County of Fauquier	\$	<u>43,103,227</u>	5.41%	\$ <u>2,446,005</u>
Total	\$	<u><u>43,236,326</u></u>		\$ <u><u>2,579,104</u></u>

(1) Including lease purchase agreements but excluding general obligation bonds reported in the enterprise fund.

Property Value, Construction and Bank Deposits  
Last Ten Fiscal Years

Fiscal Year	Property Value*			Residential Construction (1)		Commercial Construction (1)		Bank Deposits (2) *
	Commercial	Residential	Total	Number of units	Value	Number of units	Value	
1992-93	\$ 147,773	\$ 247,316	\$ 395,089	29	\$ 1,215	3	\$ 657	\$ 338,054
1993-94	248,121	545,270	793,391	145	18,453	93	11,093	451,854
1994-95	325,730	635,000	960,730	124	15,171	2	12,316	399,015
1995-96	778,573	222,583	1,001,156	18	164,341	4	498,500	402,602
1996-97	4,710,905	6,102,168	10,813,073	61	4,746,700	3	1,492,825	402,745
1997-98	3,101,240	7,249,493	10,350,733	70	6,530,225	3	589,630	510,985
1998-99	16,577,531	8,610,512	25,188,043	85	7,914,000	5	11,633,540	543,747
1999-00	5,519,499	11,853,634	17,373,133	105	10,395,450	5	721,000	602,956
2000-01	6,569,232	18,615,393	25,184,625	147	16,091,650	3	2,279,688	635,929
2001-02	41,461,733	33,896,815	75,358,548	198	29,957,000	11	10,119,388	822,866

\* Amounts expressed in thousands

(1) Source: Town of Warrenton Planning Department

(2) Source: Financial Institutions Data Exchange

**Demographic Statistics****At June 30, 2002**

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Population (1)	7,517
Unemployment Rate (County of Fauquier, Virginia) (2)	2.80%
Number School Age Children (3)	1,090
Per Capita Personal Income (4)	\$25,201
Median Age (4)	38.1

(1) Warrenton Department of Community Development

(2) Virginia Employment Commission

(3) Fauquier County

(4) 2000 Census

**Principal Taxpayers  
At June 30, 2002**

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		<b>Assessed Valuation</b>	<b>% of Total Assessed Valuation</b>
Jefferson Associates	Shopping Center	\$ 23,107,100	4.34%
Verizon Virginia	Utility	12,397,751	2.33%
Warrenton Development Company	Developer	9,613,500	1.81%
Troy CMBS Property, LLC	Shopping Center	6,590,700	1.24%
Highland Commons LP	Developer	6,021,000	1.13%
Dominion Virginia Power	Utility	5,739,223	1.08%
Warrenton Town Centre Assoc.	Shopping Center	5,539,900	1.04%
Warrenton Professional Center	Health Care Provider	5,098,600	0.96%
The Fauquier Bank	Financial Institution	4,503,500	0.85%
Mildred M. Fletcher	Rental Properties	4,494,200	0.84%

**Miscellaneous Statistics**

**At June 30, 2002**

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Date of Incorporation	1810
Form of Government	Council/Manger
Number of employees (excluding police and fire):	
Classified	71
Exempt	7
Area in square miles	4.25
Town of Warrenton, Virginia facilities and services:	
Miles of streets	82.8
Number of street lights	645
Fire Protection:	
Number of stations (volunteer station)	1
Number of paid fire personnel and officers	1
Police Protection:	
Number of stations	1
Number of police personnel and officers	20
Number of patrol units	16
Number of law violations:	
Physical arrests	483
Traffic violations	1,223
Parking violations	3,015
Sewage System:	
Miles of sanitary sewers	56
Miles of storm sewers	14.62
Number of treatment plants	1
Number of service connections	3,117
Daily average treatment in gallons	900,000
Maximum daily capacity of plant in gallons	2,500,000
Water System:	
Miles of water mains	74
Number of service connections	3,569
Number of fire hydrants	560
Daily average consumption in gallons	1,220,000
Maximum daily capacity of plant in gallons	2,000,000
Facilities and services not included in reporting entity:	
Education:	
Number of elementary schools	2
Number of secondary schools	3
Number of school age population	1,090
Hospitals:	
Number of hospitals	1
Number of patient beds	121

## **COMPLIANCE SECTION**





# ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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**TO THE TOWN COUNCIL  
TOWN OF WARRENTON, VIRGINIA**

We have audited the financial statements of the Town of Warrenton, Virginia as of and for the year ended June 30, 2002 and have issued our report thereon dated September 5, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

***Compliance***

As part of obtaining reasonable assurance about whether the Town of Warrenton, Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the Town of Warrenton, Virginia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Town of Warrenton, Virginia in a separate letter dated September 5, 2002.

This report is intended solely for the information and use of the Town Council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Robinson, Farmer, Cox Associates*

Staunton, Virginia  
September 5, 2002